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Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1953





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Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1953



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By Touche, Niven, Bailey & Smart

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JUNE 30, 1953

By Farquhar & Heimbucher

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CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

October 9, 1953

To His Honor, the Mayor, and the Honorable Board of Supervisors,
City and County of San Francisco.

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1953, is submitted herewith, as provided by section 65 of the Charter.

The accounts of the Controller were audited by Price, Waterhouse & Co., by direction of the Board of Supervisors, in accordance with provisions of section 68 of the Charter.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water Supply and Power Project, by
Touche, Niven, Bailey & Smart.

Municipal Railway, by L. H. Penny & Co.

San Francisco School Department, by Lindquist, Von Husen & Joyce.

Employees Retirement System, by Farquhar & Heimbucher.

As prescribed by section 66 of the Charter, audits of the various departments of the City and County were made by the Controller's Audit Staffs. Included herein are the following:

Office of the Treasurer, by Controller's General Audit Staff.

San Francisco Airport, by Controller's Utilities Audit Staff.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

Respectfully submitted,

H. D. Ross,

Controller

ORGANIZATION CHART
CONTROLLERS OFFICE

alized financial planning,
control and management, accounting
line and systems.

CHIEF ASSISTANT CONTROLLER

Correspondence and Reports, Stop
Notices, Assignments, Surety Bonds,
Baths of Office, Insurance, Personnel
Records and Procurement (Conf. Office)
Illinois Register, Ordinances and
Resolutions, Film Control, including
city contracts.

Monthly audit of Treasurer's Office.
Periodical audits of Departments
System design and installation
Special Investigations.

- Proprietary Ledger-Property Ledger
- Expense Ledger - Bond Interest and
- Redemption audit and control -
- Fund Ledger - General Journal -
- Reports - State Settlements -
- Extension and audit of Tax Rolls

audit and analysis of budget estimates and operating budget. Preparation of Budget Statistics, consolidated budget, Estimated

Editor-System Design & Installation
Special Investigations-P.O. C. Gen'l.
Office, Eur. Lt. Hq., Municipal
Police Dept., Hetch Hetchy Water
Supply, Hetch Hetchy Power Operative
Project, Allied. Aid Projects

audit and preparation of all time-rolls, payrolls and salary and pension warrants, State and Federal income tax records; maintains accounting controls over all payrolls and all authorized deductions; preparation of Aid rolls and warrants

Counsel
Interpretation of Law
Proposed Legislation

REVENUES
ENCUMBRANCES
DISBURSEMENTS

Research and Statistics
 of deposits with Treasurer
 of Receipts
 Monetary Control of fee
 receipts, badges and other
 earned revenue forms.
 of licenses and fees
 opportunities
 positions
 Accounts

Audit, Recordation and
Certification of:
Purchase Orders
Contracts
Orders for Work (inter-dept.)
Work Orders
Service Orders
Court Orders
Judgments
Claims

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**AUDIT OF
AID CLAIM**
Needy Aged
Needy Blind
Widows Pension
Feeble Minded
State School
Criminal Inst
Narcotics
Maintenance
of Minors

REVENUES
APPROPRIATIONS
ALLOTMENTS
ENCUMBRANCES
OUTSTANDING

[illegible]

CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF REVENUES

Fiscal Years 1943-44 to 1952-53

	FISCAL YEAR ENDED JUNE 30									
	1944	1945	1946	1947	1948	1949	1950 (a)	1951 (a)	1952 (a)	1953 (a)
Property Taxes and Rentals	\$6,746,197.70	\$9,125,735.01	\$41,189,093.18	\$47,214,061.37	\$51,429,241.75	\$60,358,807.60	\$60,690,477	\$66,300,790	\$70,595,823	\$69,879,672
Railroad Taxes and Use Tax									4,021,011	5,079,291
Other Taxes and Licenses	1,092,240.36	1,131,087.36	1,189,611.40	1,314,284.17	1,337,328.41	1,465,018.36	1,579,668	1,545,495	1,548,453	1,618,153
Court Fees	546,578.15	628,628.92	1,007,361.11	1,439,743.20	1,294,315.59	1,386,182.88	1,630,166	1,661,171	1,882,284	2,216,413
	38,375,016.41	41,185,451.29	43,386,067.69	49,878,088.74	57,562,567.46	67,877,068.32	68,415,071	74,765,198	79,016,201	78,816,801
Departmental Revenues	2,054,564.53	2,434,324.90	3,096,510.37	3,774,665.20	4,071,270.14	5,243,405.81	5,501,151	6,199,026	6,182,107	6,650,108
Interest Earned	17,238.73	17,983.75	22,435.26	28,341.88	47,435.33	42,950.03	118,423	148,984	50,303	526,697
Rents, S. F. United School District	370,470.45	386,169.67	429,828.53	385,331.68	387,650.94	401,066.35	371,262	361,403	358,655	367,265
Contributions from Water Dept.	1,906,920.00	1,197,412.00	1,399,880.00	.....	.....	.....	.....	.....	.....	.....
Cash Transferred from Capital Funds	.....	3,300.00	8,500.00	94,200.00	6,300.00	265,786.75	537,093	223,845	469,254	478,985
Cash Transferred from Trust Funds	.....	.....	7,985.50	.....	.....	.....	.....	.....	.....	.....
Housing Authority - In lieu of taxes	71,870.15	359,579.46	405,874.65	409,109.41	418,318.79	274,457.96	372,487	392,037	326,232	244,435
Interest on Bonds	.....	.....	332,461.76	69,484.73	51,440.55	91,910	49,493	87,988	134,104	.....
From School Cafeteria Fund	4,420,463.86	4,399,174.78	5,599,482.19	5,037,279.43	5,027,961.23	6,673,819.59	7,374,664	8,015,138	7,854,639	8,251,594
Revenues through State of California:										
Share State Taxes:										
*Motor Vehicle Tax:										
Special Road Imp. Fund	816,081.29	655,946.37	1,264,643.21	1,558,866.20	1,576,501.00	1,575,870.35	1,705,617	1,823,475	1,902,631	1,981,376
Special Gas Tax Imp. Fund	338,144.04	436,388.95	672,834.21	774,086.00	1,575,860.21	2,409,476.96	2,207,248	2,408,220	2,250,222	2,327,622
Motor Vehicle Registration Fees	255,432.97	285,912.15	302,552.38	357,422.73	283,421.38	360,431.37	382,973	403,898	405,851	413,164
Motor Vehicle License Fees	867,882.51	968,330.77	1,296,906.81	2,148,312.76	4,043,960.76	3,331,193.04	4,346,181	4,407,173	6,508,349	5,671,985
Alcohol Beverage License Subsidy	469,428.20	663,075.41	774,712.15	698,111.70	1,266,936.72	1,264,850.06	1,367,041	1,415,966	1,249,603	1,263,643
Miscellaneous	1,512.42	2,510.24	.....	2,620.00	.....	.....	.....	.....	.....	.....
State and Federal Grants-in-Aid:										
Maintenance of Minors	64,887.53	71,203.91	87,313.25	104,983.67	193,597.25	266,282.53	411,910	569,920	557,906	595,558
Aid to Needy Children	195,773.74	165,887.05	241,912.02	420,800.14	492,800.14	730,596.62	1,367,352	2,681,000	2,856,288	2,894,867
Aid to Needy Blind	176,993.69	153,305.24	158,346.59	187,872.41	226,242.58	182,873.83	451,506	467,457	451,506	467,457
Aid to Needy Aged	5,707,166.94	5,475,202.96	5,839,057.74	5,839,057.74	6,878,562.40	3,883,186.35	4,785,842	11,979,851	11,657,159	11,814,605
Adoption Program	.....	.....	.....	.....	.....	.....	.....	64,000	93,008	116,139
Inspection Services - Aged and Children:										
Tuberculosis Aid Subsidy	88,166.77	81,748.61	21,464.94	21,920.06	21,920.06	26,420.00	28,772	27,544	24,792	27,768
Aid for Blind Children	2,011,548.47	2,510,999.48	2,697,702.00	2,698,169.60	4,276,490.00	4,562,777.82	4,698,684	523,186	513,845	520,617
Aid for Blind Schools	1,909,139.40	1,925,353.89	1,948,670.71	1,782,553.47	2,062,250.00	2,191,363.50	2,231,299	2,408,179	2,334,120	2,497,614
Aid for City College	.....	.....	248,346.90	601,140.00	601,310.00	601,310.00	572,060	563,240	430,470	429,630
County School Service Fund	398,209.55	315,664.73	231,572.52	806,700.63	24,400.00	27,059	26,577	29,471	31,550	31,550
Federal Aid to Schools	.....	.....	123,500.00	332,757.10	671,000.00	599,882.71	496,366	482,511	404,957	823,518
Child Care Center	.....	.....	57,303.49	64,210.32	66,376.73	247,553.46	335,794	498,023	482,063	482,063
Teachers' Retirement	102,483.61	105,333.29	107,359.37	126,663.55	158,203.34	184,435.55	190,636	191,830	198,528	206,424
Fire Boat Subsidy	37,768.27	650,212.33	405,107.29	143,173.93	13,745.54	11,340.00	11,626	18,019	20,970	22,992
Waterfront Expense Subsidy	54,270.33	19,316.14	24,183.86	23,556.00	30,978.50	31,424.00	40,569	48,402	46,407	43,250
Aid for Log Cabin Ranch	.....	.....	29,686.74	89,474.25	33,353.83	363,315	140**	37,750	125,147	125,147
Post War Planning Projects	.....	85,598.21	57,270.00	270,609.63	248,818.37	248,271	257,903	227,947	237,753	237,753
Public Health Subsidy	.....	.....	12,325.00	2,027.89	.....	50,000.00	12,325**	.....	.....	.....
California Centennial Subsidy	.....	.....	.....	.....	.....	94,945	85,602	94,945	111,061	75,635
California Centennial Commission	.....	.....	.....	.....	.....	73,000.00	113,024	159,057	201,612	285,542
School Cafeteria	.....	.....	.....	.....	.....	94,345.74	85,602	94,345	111,061	75,635
Crippled Children Program	.....	.....	.....	.....	.....	73,000.00	113,024	159,057	201,612	285,542
Total Revenues	14,284,580.73	14,483,886.28	15,885,324.20	18,270,856.03	26,047,275.23	23,915,871.07	27,449,093	\$31,119,278.09	\$38,932,329	\$42,606,802
	\$37,080,170.00	\$60,068,512.35	\$64,870,874.08	\$73,186,224.20	\$88,637,905.92	\$98,466,758.98	\$103,239,731	\$119,278,094	\$125,802,259	\$126,606,802

*Does not include amount apportioned to the State Highway Trust Fund.

**Drones Deduction.

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
STATEMENT OF EXPENDITURES
Fiscal Years 1943-44 to 1952-53

FISCAL YEAR ENDED JUNE 30

	1944	1945	1946	1947	1948	1949	1950(a)	1951(a)	1952(a)	1953(a)
Departmental Expenditures:										
General Government:										
Public Safety.....	\$ 4,170,178.01	\$ 4,604,101.27	\$ 5,121,793.30	\$ 6,193,959.93	\$ 6,995,959.93	\$ 7,585,988.85	\$ 8,238,393.30	\$ 7,789,286.00	\$ 8,767,034.00	\$ 8,539,705.00
Highways.....	7,983,979.72	8,531,317.35	9,477,000.00	10,650,000.00	12,850,310.36	14,389,310.99	15,228,793.00	15,488,907.00	17,509,966.00	18,748,784.00
Sanitation and Waste Removal.....	1,886,677.43	1,983,367.43	2,134,903.36	2,373,382.64	2,709,206.37	2,922,531.04	3,046,428.00	3,196,328.00	3,509,737.00	3,722,831.00
Conservation of Health.....	866,933.90	1,031,418.90	1,071,930.36	1,325,165.37	1,615,711.13	1,892,336.02	2,088,305.00	2,123,558.00	2,390,449.00	2,957,688.00
Public Welfare.....	3,422,914.33	3,746,156.85	3,871,672.83	4,726,101.63	5,825,183.39	6,318,117.81	6,601,352.00	6,696,240.00	7,761,571.00	6,478,313.00
Public Health.....	9,185,570.17	9,178,855.23	9,054,016.99	10,177,329.89	11,707,740.52	12,855,960.80	10,882,610.00	20,859,900.00	20,821,665.00	22,233,625.00
Public Welfare.....	470,283.40	537,241.18	647,779.55	828,720.40	979,876.16	1,008,140.47	1,018,600.00	1,080,704.00	1,251,296.00	1,801,926.00
Schools.....	11,146,572.07	12,499,265.80	12,809,969.37	16,101,288.59	19,136,880.37	21,219,213.03	23,016,066.00	24,390,045.00	26,798,540.00	29,341,754.00
Libraries.....	453,538.00	503,405.04	509,678.71	654,835.86	695,706.78	772,215.21	802,652.00	825,926.00	923,544.00	935,314.00
Recreation.....	2,830,808.41	3,131,526.97	3,454,570.99	4,221,776.93	4,737,851.39	5,276,633.38	5,296,062.00	4,753,800.00	4,952,813.00	5,075,479.00
Total Departmental Expenditures.....	43,169,626.38	46,677,509.49	48,402,476.82	58,452,825.60	68,103,337.83	71,102,986.83	76,950,480.00	88,518,467.00	95,677,549.00	101,337,839.00
Bond Redemptions.....	3,290,100.00	2,915,000.00	2,915,000.00	3,115,000.00	3,015,000.00	4,189,000.00	4,639,000.00	5,098,000.00	5,383,000.00	5,540,000.00
Bond Interest.....	1,415,075.18	1,274,056.66	1,152,014.24	1,031,769.30	959,252.78	1,077,821.78	1,298,730.00	1,335,016.00	1,367,580.00	1,447,005.00
Other Interest.....	34,032.24	20,583.63	47,048.96	2,125.00	.....	.....	.....	.....	.....	.....
Pensions and Compensation.....	2,874,331.99	3,209,339.74	3,919,551.29	4,457,047.00	7,519,358.77	8,285,240.80	10,516,145.00	10,918,329.00	11,880,452.00	12,541,720.00
Insurance.....	38,829.22	95,846.47	17,997.56	39,483.47	57,117.97	56,543.48	31,177.00	79,589.00	21,749.00	.....
Judgments and Losses.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Contributions to Public Service.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Interpreters.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Public Health Project.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Airports.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Municipal Railways.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Public Utilities Commission:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Light, Heat and Power Bureau	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Capital Additions From Revenues	570,204.45	1,043,588.06	2,121,018.17	2,733,964.71	2,986,761.38	1,022,824.77	28,679.00	2,996,780.00	1,712,591.00	1,001,492.00
Civilian Defense	724,089.46	302,113.94	152,717.60	31,168.55	22,693.56	4,103,630.48	5,031,158.00	7,262,900.00	5,821,920.00	1,117,008.00
Contributions to Other Civil	97,950.12	85,905.48	136,192.85	198,210.00	181,598.36	1,703,120.08	171,825.00	199,381.00	169,101.00	6,000.00
Discussions, etc	510,275.61	469,271.83	1,526,953.21	4,432,511.38	793,508.34	8,917,305.93	140,910.00	27,078.00	6,000.00	.....
Miscellaneous, net	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total Expenditures	\$55,716,438.35	\$58,355,112.02	\$62,900,768.02	\$71,373,778.17	\$85,083,098.95	\$96,919,615.29	\$101,501,574.00	\$110,000,100.00	\$122,866,771.00	\$131,707,839.00

*Amount Available

Not a General Funded

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
STATEMENT OF OPERATIONS
Fiscal Years 1943-44 to 1952-53

FISCAL YEAR ENDED JUNE 30

	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953 (AV)
Water Sales.....	\$8,367,222.01	\$8,410,832.59	\$10,040,169.37	\$10,519,351.35	\$10,614,577.04	\$10,932,354.55	\$10,151,099.50	\$10,798,833.90	\$11,351,399.94	\$11,804,318
Operating Expenses:										
Provision for Depreciation....	984,484.87	988,986.46	979,233.30	888,180.86	891,767.46	889,337.61	906,404.87	940,078.04	948,787.58	970,779
Other Operating Expenses..	3,016,691.23	3,150,174.09	3,166,965.09	6,591,925.78	6,795,039.29	7,333,010.93	6,431,285.62	6,372,332.92	6,512,562.53	6,910,530
	4,001,176.10	4,139,160.55	4,146,198.39	7,480,106.64	7,686,806.75	8,222,348.54	7,337,690.49	7,312,410.96	7,461,350.11	7,881,309
Profit from Operations.....	4,366,045.91	4,271,672.04	5,893,970.98	3,039,244.71	2,927,770.29	2,710,006.01	2,813,409.01	3,486,422.94	3,890,049.83	3,923,009
Other Income.....	146,623.43	118,098.52	168,944.63	210,773.60	179,915.15	245,593.36	201,651.22	237,246.98	313,604.11	382,030
	4,512,669.34	4,389,770.56	6,062,915.61	3,250,018.31	3,107,685.44	2,955,599.37	3,015,060.23	3,723,669.92	4,203,653.94	4,305,039
Other Expenses:										
Interest on Bonded Debt....	1,449,343.31	1,381,823.34	1,314,303.33	1,246,783.33	1,179,263.34	1,111,743.33	1,052,577.44	984,957.50	928,586.17	966,083
Other.....	34,684.40	36,563.64	47,637.39	58,501.51	40,027.25	50,879.92	44,439.43	44,874.53	65,148.01	72,538
	1,484,027.71	1,418,386.98	1,361,940.72	1,305,284.84	1,219,290.59	1,162,623.25	1,097,016.87	1,029,832.03	993,734.18	1,058,621
Net Income	\$3,028,641.63	\$2,971,383.58	\$ 4,700,974.89	\$ 1,944,733.47	\$ 1,888,394.85	\$ 1,792,976.12	\$ 1,918,043.36	\$ 2,693,837.89	\$ 3,209,919.76	\$ 3,246,418

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

STATEMENT OF OPERATIONS

Fiscal Years 1943-44 to 1952-53

FISCAL YEAR ENDED JUNE 30

	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953 (a)
Power Sales.....	\$1,858,824.91	\$8,444,738.44	\$3,058,669.80	\$3,319,004.76	\$3,392,272.27	\$3,390,905.66	\$3,322,439.95	\$3,439,372.12	\$4,009,143.65	\$4,617,981
Less P. G. & E. Distribution Commission.....	799,432.23	5,939,609.99								
	\$3,059,392.68	\$2,505,128.45	\$3,058,669.80	\$3,319,004.76	\$3,392,272.27	\$3,390,905.66	\$3,322,439.95	\$3,439,372.12	4,009,143.65	4,617,981
Standby Charge and Sale of Water to the S. F. Water Dept.....	661,277.00	661,277.00	661,277.00	3,731,908.00	3,533,700.00	3,780,804.29	3,586,504.63	3,575,046.00	3,445,250.00	3,545,590
	\$3,720,669.68	\$3,166,405.45	\$3,719,946.80	\$7,050,912.76	\$6,925,972.27	\$7,171,709.95	\$6,910,944.58	\$7,014,418.12	7,454,393.65	8,163,571
Operating Expenses:										
Provision for Depreciation.....	\$1,563,039.70	\$1,647,730.44	\$1,570,856.59	\$1,518,809.10	\$1,514,979.47	\$1,509,904.71	\$1,507,862.87	\$1,696,960.13	1,697,308.11	1,710,305
Other Operating Expenses.....	1,157,272.28	575,028.50	1,408,026.83	1,576,200.79	1,869,609.69	1,761,431.01	1,886,543.66	1,824,901.18	2,421,267.67	2,900,311
	\$2,720,311.98	\$2,222,758.94	\$2,978,883.42	\$3,095,009.89	\$3,384,589.16	\$3,271,335.72	\$3,394,406.53	\$3,521,861.31	4,118,575.78	4,610,620
Profit from Operations.....	\$1,000,357.70	\$943,646.51	\$791,063.38	\$3,955,902.87	\$3,541,383.11	\$3,900,374.23	\$3,516,538.05	\$3,492,556.81	3,335,817.87	3,552,915
Other Income.....	5,992.78	6,060.19	8,975.48	19,065.14	22,833.35	23,435.68	29,455.94	29,175.91	69,512.59	65,915
	\$1,006,350.48	\$949,706.70	\$800,038.86	\$3,974,968.01	\$3,564,216.46	\$3,923,809.91	\$3,545,993.99	\$3,521,732.72	3,405,330.46	3,618,830
Other Expenses:										
Interest on Bonded Debt.....	\$2,541,236.86	\$2,438,759.37	\$2,336,295.22	\$2,233,977.70	\$2,131,660.21	\$2,029,342.71	\$1,927,557.47	\$1,962,307.62	1,899,394.77	1,787,299
Other.....	74,777.16		116,029.64	87,910.45					2,510.08	4,378.8
	\$2,616,014.02	\$2,438,759.37	\$2,452,324.86	\$2,321,888.15	\$2,131,660.21	\$2,029,342.71	\$1,927,557.47	\$1,962,307.62	1,901,904.85	1,791,678
Net Income.....	\$1,609,663.51*	\$1,489,052.67*	\$1,652,286.00*	\$1,653,079.86	\$1,432,556.25	\$1,894,467.20	\$1,618,436.52	\$1,559,425.10	\$1,538,172.00	\$1,660,000

* Denotes Loss.
(a) Cents Omitted

CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL RAILWAY

STATEMENT OF OPERATIONS
Fiscal Years 1943-44 to 1952-53

FISCAL YEAR ENDED JUNE 30

	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953
Revenues.....	\$6,713,700.75	\$15,119,772.51	\$17,444,932.19	\$19,038,755.53	\$18,321,581.91	\$18,592,096.33	\$18,575,307.83	\$18,028,977.29	\$18,242,354.37	\$23,491,980.98
Operating Expenses:										
Depreciation.....	710,280.90	826,015.55	1,018,793.44	1,073,837.58	1,087,841.45	1,450,311.34	1,833,451.30	1,710,397.02	1,774,354.44	1,878,593.34
Other Operating Expenses.....	5,068,178.86	12,161,011.97	15,105,224.56	18,483,636.08	18,539,561.76	19,398,286.27	18,844,625.83	17,827,490.01	19,264,096.72	20,972,373.54
	5,778,459.76	12,987,027.52	16,124,018.00	19,557,473.66	19,627,403.21	20,848,597.61	20,678,077.13	19,537,887.03	21,038,451.16	22,850,966.88
Profit from Operations.....	935,240.99	2,132,744.99	1,320,914.19	518,718.13*	1,305,821.30*	2,256,501.28*	2,102,769.30*	1,508,909.74*	2,796,097.79*	641,014.10
Other Income.....	9,346.45	9,527.18	5,359.95	51,678.23	10,519.31	13,064.57	287,177.18	359,890.20	24,243.33	154,071.82
	944,587.44	2,142,272.17	1,326,274.14	467,039.90*	1,295,301.99*	2,243,436.71*	1,815,592.12*	1,149,019.54*	2,771,854.46*	795,085.92
Other Expenses:										
Interest on Market Street Railway purchase.....		126,904.11	119,808.08	85,721.02	64,725.99					
Interest on Bonded Debt.....	47,083.34	42,083.33	37,083.33	32,083.34	30,727.50	107,194.70	259,419.92	284,605.13	287,001.45	295,796.52
Other.....			78,085.29		202,926.02	137,716.09		96,784.97	58,471.67	1,320.47
	47,083.34	168,987.44	234,976.70	117,804.36	298,375.51	244,910.88	259,419.92	381,390.10	345,473.12	297,116.99
Net Income.....	\$ 897,504.10	\$ 1,973,284.73	\$ 1,091,297.44	\$ 584,844.26*	\$ 1,593,681.50*	\$ 2,488,347.59*	\$ 2,075,012.04*	\$ 1,530,409.64*	\$ 3,117,327.58*	\$ 497,968.93

*Denotes Loss.

CITY AND COUNTY OF SAN FRANCISCO

AIRPORT

STATEMENT OF OPERATIONS

Fiscal Years 1943-44 to 1952-53

FISCAL YEAR ENDED JUNE 30

	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953
Revenues:										
Landing Charges.....	\$ 19,057.50	\$ 32,565.00	\$ 48,196.55	\$ 90,375.37	\$ 118,558.26	\$ 130,101.09	\$ 155,233.76	\$ 213,317.28	\$ 293,517.92	\$ 340,008.82
Rentals.....	27,769.77	33,779.55	43,199.02	98,219.64	143,041.93	98,508.75	118,759.03	133,241.60	157,800.59	181,356.96
Other.....	4,057.30	7,445.96	17,668.14	99,430.73	101,127.58	193,573.44	246,869.66	298,727.32	380,556.80	469,125.99
	50,884.57	73,790.51	109,063.71	288,025.74	362,827.77	423,983.28	520,862.45	647,286.20	831,875.31	990,491.77
Operating Expenses:										
Depreciation.....	201,719.74	209,406.13	214,777.76	434,979.48	434,958.82	638,043.10	648,646.19	823,339.87	832,193.45	811,347.50
Other Operating Expenses...	91,006.06	122,568.14	147,634.22	254,921.49	388,833.69	506,176.63	571,061.36	583,435.30	584,750.31	634,630.55
	292,725.80	331,974.57	362,411.98	689,900.97	823,792.51	1,144,219.73	1,219,707.55	1,406,775.17	1,416,943.76	1,445,978.14
Loss from Operations.....	241,841.23	258,184.06	253,348.27	401,875.23	460,964.74	720,236.45	698,845.10	759,488.97	585,068.45	455,486.17
Other Income.....	9,670.22	10,552.81	12,727.07	18,933.88	25,907.75	30,185.17	25,353.19	33,725.10	31,936.16	29,443.08
Interest on Bonded Debt.....	232,171.01	247,631.25	240,621.20	382,941.35	435,056.99	690,051.28	673,491.91	725,763.87	553,132.29	426,040.09
Other Expense.....	26,172.04	20,959.33	16,797.01	13,188.56	29,303.68	106,390.54	87,584.53	120,900.41	131,091.68	116,542.74
	\$258,343.05	\$268,590.58	\$257,418.21	\$396,129.91	\$464,360.67	\$796,441.82	\$761,076.44	\$849,145.50	\$708,275.10	\$522,030.06
Net Loss.....	\$258,343.05	\$268,590.58	\$257,418.21	\$396,129.91	\$464,360.67	\$796,441.82	\$761,076.44	\$849,145.50	\$708,275.10	\$522,030.06

*Double Auction

CITY AND COUNTY OF SAN FRANCISCO

ADDITIONS TO PROPERTIES

For the 10 Year Period — July 1, 1943 to June 30, 1953

	INCREASE OR DECREASE*				BALANCES JUNE 30, 1953			
	Total	Land	Buildings, Structures and Improvements	Equipment	Total	Land	Buildings, Structures and Improvements	Equipment
GENERAL GOVERNMENT	\$ 845,640.19	\$	\$ 78,271.42	\$ 770,368.77	\$ 9,831,596.71	\$ 2,292,951.63	\$ 1,174,147.62	\$ 3,427,204.16
Civic Center, Incl. City Hall								
PUBLIC SAFETY								
Fire Department	1,697,673.46	75,911.73	936,772.67	684,889.06	14,908,910.66	704,183.19	9,659,903.20	4,364,774.27
Police Department	967,084.06	11,839.00	145,873.98	809,371.08	4,461,593.66	770,780.10	2,111,883.60	1,579,029.96
Department of Electricity	59,664.35		3,455.67	56,208.68	933,940.59	441,000.00	727,109.07	162,531.52
HIGHWAYS								
Streets, Tunnel, Bridges, Etc.	27,536,813.97	3,803,931.65	23,504,837.46	228,044.86	90,737,355.41	11,098,736.55	79,410,317.50	128,081.36
Asphalt Plant	32,128.52		26,131.54	5,996.98	280,864.11		106,171.54	174,732.57
Off-Street Parking	870,430.43	860,783.41	9,647.02		870,430.43	860,783.41	9,647.02	
SANITATION								
Sewers & Sewage Disposal Plants	33,751,991.65	1,709,083.77	31,776,680.05	266,227.83	55,483,329.68	1,794,868.87	51,331,672.16	356,788.35
Street Cleaning Department	255,331.27			255,331.27	583,196.76			583,196.76
Garbage Incinerator	50,000.00*				80,142.60	15,000.00	65,142.60	
HEALTH CONSERVATION								
Hassler Health Home	67,726.81	969.92*	20,507.96	48,188.77	1,314,036.77	29,442.00	1,131,493.63	153,101.14
Civic Center Health Building	189,029.83	575.00*	735.79	188,869.04	1,343,874.79	136,013.49	908,771.80	277,171.14
Excelsior Health Center	190.00*				83,966.04	14,470.00	69,496.04	10,000.00
Other	5,939.36	2,200.00*	4,586.61	3,553.37	292,923.60	143,740.00	18,855.41	130,330.19
HOSPITALS								
San Francisco Hospital	662,079.08		292,052.27	370,026.81	7,060,263.82	694,556.97	5,220,195.86	1,145,510.99
Emergency Hospitals	61,615.63			61,615.63	303,360.92	10,999.70	82,969.15	209,392.07
CHARITIES								
Laguna Honda Home	118,198.60	4,937.85*	10,112.41	143,024.04	5,194,831.02	25,062.15	4,454,696.92	715,071.95
S. F. Welfare Department	368,401.99	137,500.00	162,500.00	65,401.99	373,052.22	137,500.00	162,500.00	73,052.22
CORRECTIONS								
County Jail	16,870.01		10,944.90	16,870.01	867,914.12	38,156.52	800,255.01	29,402.59
Youth Reformatory Home—Old	50,443.79		4,168,967.16	79,498.89	341,925.87	10,310.00	219,194.19	112,421.68
Youth Guidance Center	4,278,046.49	50,400.00	58,679.33	4,278,046.49	50,400.00	4,168,967.16	58,679.33	58,679.33
Juvenile Log Cabin Ranch	182,273.26		152,915.81	29,357.45	207,383.35	25,110.09	152,915.81	29,357.45
SCHOOLS								
San Francisco School	31,717,156.37	4,295,542.49	23,799,526.81	3,622,087.07	83,421,206.55	14,084,207.16	61,744,312.50	7,592,686.89
LIBRARIES								
San Francisco Library	341,727.47	7,881.13	255,074.88	78,771.46	3,810,949.16	400,591.13	1,532,547.51	1,857,810.52
RECREATION								
Playgrounds & Swimming Pools	3,938,596.50	224,641.43	3,506,262.02	207,623.05	9,653,163.15	3,422,537.49	5,851,873.12	378,732.54
War Memorial, Galleries, Etc.	276,238.48		142,580.56	133,657.92	1,595,077.97		1,251,116.18	343,961.79
War Memorial & Opera House	10,074.39		8,642.21	1,432.18	5,416,974.58	463,187.20	4,798,164.17	155,023.21
Parks & Squares	3,002,244.19	928,323.43	1,785,190.22	288,530.54	27,618,040.91	20,339,450.99	6,737,967.78	640,022.14
Auditorium	16,605.81		7,138.67	9,467.14	27,618,040.91	701,433.13	1,533,831.65	81,516.48
Golf Links	637,732.46	14,325.00	623,407.46		1,784,202.82	767,705.48	1,016,497.34	1,016,497.34
Kezar Stadium	260,353.62	125,822.68	134,530.94		1,014,470.17	222,831.48	821,638.69	821,638.69
OTHER								
Central Warehouse & Corporation Yard	681,530.08	65,082.36	616,447.72	969,124.74	228,925.53	228,925.53	731,717.76	8,481.45
Retirement System	20,231.76		4,000.00	706.76	20,231.76	15,525.00	4,000.00	706.76
Miscellaneous	270,468.10	8,058.22*	149,996.29	128,530.03	645,240.72	210,916.54	254,838.65	179,483.53
Total	\$113,207,082.60	\$12,256,862.09	\$92,337,790.50	\$8,612,430.01	\$338,138,659.28	\$59,616,360.17	\$253,262,785.78	\$25,259,513.33

*Denotes Decrease

CITY AND COUNTY OF SAN FRANCISCO
 ADDITIONS TO PROPERTIES — BY SOURCE OF FUNDS
 For the 10 Year Period — July 1, 1943 to June 30, 1953

Source of Funds:	Total	Land	Buildings Structures and Improvements	Equipment
Current Funds:				
General Fund.....	\$ 9,641,994.43	\$ 229,826.31	\$ 5,516,786.90	\$3,895,381.22
Recreation and Park.....	2,988,600.07	1,017,703.08	1,590,246.32	380,650.67
Library.....	350,612.39	16,666.88	255,074.68	78,870.83
War Memorial.....	12,507.91	.....	10,358.16	2,149.75
California Palace Legion of Honor.....	66,982.99	.....	42,165.32	24,817.67
de Young Memorial Museum.....	202,851.82	.....	98,777.51	104,074.31
Special Road Improvement.....	4,636,150.14	690,056.93	3,744,172.78	201,920.43
Special Gas Tax Street Improvement.....	5,898,745.00	2,325,585.13	3,561,075.22	12,084.65
San Francisco Unified School District.....	7,559,841.94	2,707,489.51	2,233,943.22	2,618,409.21
Special Accumulative Building Fund—Schools.....	1,012,559.91	522,353.21	490,206.70	.....
Child Care Centers.....	3,701.58	.....	.....	3,701.58
	32,374,548.18	7,509,681.05	17,542,795.01	7,322,072.12
Capital Funds:				
Real Property, General City.....	819,812.53*	662,391.69*	157,420.81*	.....
Real Property, S.F.U.S.D.....	8,951.58*	108,324.34	117,275.92*	.....
1927 Boulevards Bond Fund.....	140,932.98	1,069.43	139,863.55	.....
1929 Hospitals Bond Fund.....	7,901.65	.....	6,850.00	1,051.65
1931 Parks & Squares Bond Fund.....	2,159.58	.....	2,159.58	.....
1933 Sewers Bond Fund.....	30.00	30.00	.....	.....
1933 High Pressure Bond Fund.....	26.24*	.....	.....	26.24*
1938 Hospitals Bond Fund.....	4,500.93	.....	4,500.93	.....
1942 Fire Protection Bond Fund.....	144,052.93	16,222.00	69,958.47	57,872.46
1944 Sewers Bond Fund.....	19,552,102.35	1,654,632.63	17,893,600.61	3,003.11
1944-48 Juvenile Home & Court Bond Fund.....	4,212,831.68	.....	4,155,313.38	57,518.30
1947 Street Improvement Bond Fund.....	13,415,850.60	303,362.02	13,109,221.53	3,266.05
1947 Recreation Bond Fund.....	5,467,071.52	861,043.17	4,484,776.44	1,121,251.91
1948 Schools Bond Fund.....	23,111,553.95	913,745.78	21,193,622.73	1,004,165.44
1948 Sewage Treatment Bond Fund.....	11,839,322.36	51,906.94	11,746,753.74	40,661.68
1947 Off-Street Parking Bond Fund.....	870,430.43	860,783.41	9,647.02	.....
Miscellaneous.....	47,597.80*	47,597.80*	.....	.....
	77,892,352.81	4,061,130.23	72,541,571.15	1,289,651.43
Trust Funds:				
State Highway Trust.....	2,884,949.85	635,525.81	2,249,424.04	.....
Retirement System.....	20,231.76	15,525.00	4,706.76	700.00
Sigmund Stern—Donation.....	15,000.00	15,000.00	.....	.....
Metropolitan Life Insurance Co.—Donation.....	20,000.00	20,000.00	.....	.....
	2,940,181.61	686,050.81	2,253,424.04	700.00
Total Additions.....	\$113,207,082.60	\$12,256,862.09	\$92,337,790.30	\$8,618,523.55

*Denotes Decrease

CITY AND COUNTY OF SAN FRANCISCO

ASSESSMENT ROLLS

Fiscal Years 1943-44 to 1953-54

Fiscal Year	Roll	Assessed By	Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Total Assessed Value to City & Co. Ad Valorem Rate	Rate	Subtotal Taxed @ 10c per \$100	Total Roll
1943-44	Unsecured—City and County Assessor.				82,331,222		82,331,222	4.48	241,961,343	324,292,565
	Secured—City and County Assessor.		297,567,134	361,878,165	9,901,885	7,430,642	661,896,542	4.36	14,162,320	676,058,862
	Secured—State Board of Equalization.		14,843,520	41,293,890	32,631,960		88,765,370	4.36	87,100,960	175,866,330
	Total.		\$312,410,654	\$403,172,055	\$124,865,067	\$7,430,642	\$832,997,134		\$345,224,623	\$1,176,221,757
1944-45	Unsecured—City and County Assessor.				92,459,287		92,459,287	4.36	256,383,063	348,842,350
	Secured—City and County Assessor.		296,176,585	366,338,175	7,729,916	7,636,645	662,628,031	4.69	12,540,098	675,168,939
	Secured—State Board of Equalization.		14,344,980	41,092,340	32,916,780		88,354,100	4.69	80,015,460	168,369,560
	Total.		\$310,521,565	\$407,450,515	\$133,105,983	\$7,636,645	\$843,441,418		\$348,939,431	\$1,192,380,849
1945-46	Unsecured—City and County Assessor.				98,182,638		98,182,638	4.69	306,612,656	404,795,294
	Secured—City and County Assessor.		295,953,215	371,683,405	5,884,172	8,684,634	664,836,138	4.83	10,681,189	675,517,347
	Secured—State Board of Equalization.		11,365,640	40,280,850	31,937,390		83,603,080	4.83	52,738,150	136,362,230
	Total.		\$307,318,855	\$411,964,255	\$136,024,400	\$8,684,634	\$846,622,876		\$370,051,995	\$1,216,674,871
1946-47	Unsecured—City and County Assessor.				110,180,654		110,180,654	4.83	291,963,083	402,143,737
	Secured—City and County Assessor.		297,150,419	379,741,290	5,517,536	16,967,838	665,414,407	5.55	91,129,000	676,543,407
	Secured—State Board of Equalization.		11,291,570	41,736,690	32,055,820		85,084,080	5.55	62,005,210	147,089,290
	Total.		\$308,441,989	\$421,477,980	\$147,754,010	\$16,967,838	\$860,706,141		\$365,081,193	\$1,223,787,334
1947-48	Unsecured—City and County Assessor.				150,379,489		150,379,489	5.55	328,391,141	478,770,630
	Secured—City and County Assessor.		304,975,992	403,718,630	4,811,461	34,899,392	678,006,691	5.62	7,769,526	685,776,217
	Secured—State Board of Equalization.		11,441,450	43,692,360	33,962,940		89,006,750	5.62	32,033,180	121,129,930
	Total.		\$316,417,442	\$447,110,990	\$189,153,890	\$39,364,140	\$913,618,182		\$368,193,847	\$1,281,812,029
1948-49	Unsecured—City and County Assessor.				176,254,123		176,254,123	5.62	388,793,008	564,947,131
	Secured—City and County Assessor.		333,507,884	426,062,240	10,029,890	37,269,790	726,853,243	6.08	10,975,581	737,828,824
	Secured—State Board of Equalization.		11,566,170	49,383,230	35,695,010		96,046,410	6.09	33,209,320	129,855,730
	Total.		\$345,074,054	\$475,447,470	\$219,002,023	\$39,440,340	\$1,000,083,207		\$330,099,919	\$1,430,183,126
1949-50	Unsecured—City and County Assessor.				187,081,075		187,081,075	6.09	413,302,218	598,014,362
	Secured—City and County Assessor.		338,327,522	447,097,465	7,996,786	39,773,711	755,648,062	5.66	10,463,329	766,111,391
	Secured—State Board of Equalization.		11,634,050	60,688,540	40,147,520		111,470,110	5.66	34,463,430	146,933,540
	Total.		\$349,961,572	\$507,786,005	\$235,235,381	\$42,142,642	\$1,050,830,316		\$458,228,977	\$1,509,059,293
1950-51	Unsecured—City and County Assessor.				174,987,355		174,987,355	5.66	446,938,945	619,486,025
	Secured—City and County Assessor.		338,486,080	468,137,890	10,373,612	42,988,325	773,909,257	6.29	7,389,121	781,698,378
	Secured—State Board of Equalization.		11,594,320	64,845,380	38,418,540		114,856,240	6.29	41,805,700	136,661,940
	Total.		\$350,080,400	\$533,283,270	\$223,779,507	\$45,448,600	\$1,061,664,577		\$496,153,766	\$1,557,848,343
1951-52	Unsecured—City and County Assessor.				199,089,454		199,089,454	6.29	511,279,205	738,126,095
	Secured—City and County Assessor.		340,439,080	492,967,440	13,493,810	46,503,530	800,393,806	6.19	9,174,744	809,568,550
	Secured—State Board of Equalization.		15,762,340	66,620,930	41,831,110		124,236,380	6.19	58,641,660	182,878,040
	Total.		\$356,201,420	\$559,588,370	\$254,433,380	\$48,746,094	\$1,121,477,076		\$609,095,609	\$1,730,572,685
1952-53	Unsecured—City and County Assessor.				220,812,645		220,812,645	6.19	571,045,836	799,771,564
	Secured—City and County Assessor.		348,660,965	530,992,235	12,874,831	44,981,574	847,466,457	5.67	8,388,619	855,855,076
	Secured—State Board of Equalization.		16,714,810	67,703,770	44,980,930		129,009,490	5.67	50,635,040	139,644,530
	Total.		\$365,375,775	\$599,696,005	\$278,158,386	\$47,068,511	\$1,195,201,655		\$630,089,515	\$1,825,291,170
1953-54	Unsecured—City and County Assessor.				232,302,098		232,302,098	5.67	598,586,730	830,874,433
	Secured—City and County Assessor.		350,820,577	548,703,058	8,114,636	49,911,533	930,728,738	6.27	5,772,285	936,501,023
	Secured—State Board of Equalization.		16,799,640	68,683,230	47,872,160		133,357,030	6.27	59,152,340	192,509,370
	Total.		\$367,620,217	\$617,390,288	\$288,288,894	\$51,925,928	\$1,221,373,471		\$665,511,355	\$1,886,884,826

CITY AND COUNTY OF SAN FRANCISCO

DETAIL OF TAX RATES

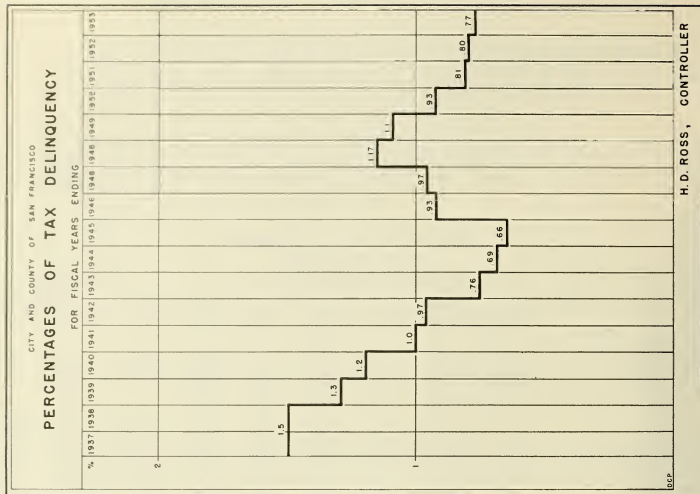
Fiscal Years 1944-45 to 1953-54

	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54
General Fund—Charter Limit \$1.65.....	1.401275	1.324581	1.606739	1.228896	1.126318	1.261335	1.288931	1.181875	1.000000	1.750000
General Fund—Other Necessary Expenditures Not Limited.....	.786845	.788891	.886788	1.332376	1.415456	1.320391	1.481594	1.446222	1.511177	1.788888
Unified School District.....	.984317	1.132731	1.225865	1.366733	1.645139	1.299661	1.562837	1.719286	1.538912	1.537500
Recreation.....	.114708	.127712	.148002	.128131	.139433	.126423	—	—	—	—
Park.....	.177261	.177718	.231787	.194877	.272223	.203699	—	—	—	—
Recreation and Park.....	—	—	—	—	—	—	.334281	.318998	.309418	.375000
Library.....	.059224	.077863	.092736	.079649	.085277	.079211	.101886	.081329	.084548	.088888
Employees' Retirement.....	.280470	.367666	.415228	.607937	.572093	.761183	.728602	.748251	.727397	.777777
Bond Interest and Redemption.....	.550637	.534730	.562023	.427027	.345373	.232312	.257541	.255908	.186516	.188888
De Young Museum.....	.019073	.018125	.028140	.024749	.046452	.019540	.041135	.030359	.035000	.035000
California Palace of the Legion of Honor.....	.012274	.012867	.023237	.015741	.021058	.015458	.015651	.017172	.018888	.018888
War Memorial.....	.013011	.010328	.030623	.014676	.019291	.017742	.021101	.016735	.017887	.018888
Publicity and Advertising.....	.023841	.023595	.036508	.031683	.027403	.026161	.026098	.024471	.023581	.023888
Tax Judgments.....	.011044	—	—	—	—	—	—	—	—	—
Child Care Centers.....	—	—	—	—	—	—	—	.038818	.017111	.018888
Special Election Fund.....	—	—	—	.006512	—	—	.000109	—	.000267	—
Interest on Tax Anticipation Notes.....	.004730	.000047	—	—	—	—	—	—	—	—
Lighting Public Streets and Buildings.....	.115437	.129648	.150632	.130660	.129071	.093136	.107212	.094886	.095578	.098888
Airport.....	.041186	.050770	.111692	.030353	.030325	.203735	.190286	.118155	.177888	.178888
Hetch Hetchy Water Supply.....	.094667	.052728	—	—	—	—	—	—	—	—
Municipal Railway.....	—	—	—	—	.215088	—	.119407	.170608	—	—
P. U. C. Purchase of California St. Cable R. R. Co.....	—	—	—	—	—	—	.016870	—	—	—
Contribution to Purchase Butano Forest.....	—	—	—	—	—	—	—	—	—	—
Total Levy.....	4.69	4.83	5.55	5.62	6.09	5.66	6.23	6.15	5.81	6.75

CITY AND COUNTY OF SAN FRANCISCO
AMOUNTS OF TAX LEVIES AND DELINQUENCIES
Fiscal Years 1931-32 to 1952-53

Fiscal Year	Amount of Levy	Uncollected at June 30 Amount %	Uncollected at June 30 Amount %
1931-32.....	\$32,714,462.72	\$ 718.830 2.20	\$ 43,576* .13
1932-33.....	31,752,725.86	1,706.581 5.37	229,694 .72
1933-34.....	26,583,269.62	1,316,809 4.95	161,140 .61
1934-35.....	28,808,182.68	938,096 3.33	26,719 .09
1935-36.....	30,634,662.45	612,784 2.00	24,433 .08
1936-37.....	30,986,643.33	449,704 1.45	20,796 .07
1937-38.....	31,994,074.61	483,081 1.50	30,660 .10
1938-39.....	33,337,811.68	442,132 1.32	19,269 .06
1939-40.....	32,575,922.01	390,407 1.19	27,568 .08
1940-41.....	35,162,784.71	367,339 1.04	42,728 .12
1941-42.....	36,469,224.70	354,994 .97	67,189 .18
1942-43.....	37,469,083.07	288,158 .76	61,853 .17
1943-44.....	36,797,770.96	254,508 .69	49,530 .13
1944-45.....	39,647,406.19	262,652 .66	34,106 .09
1945-46.....	41,184,389.39	380,975 .93	41,759 .10
1946-47.....	47,374,327.51	457,779 .97	58,114 .12
1947-48.....	51,718,353.83	602,680 1.17	107,724 .21
1948-49.....	60,779,269.51	669,631 1.10	147,491 .24
1949-50.....	60,838,563.25	567,617 .93	135,349 .22
1950-51.....	66,522,057.12	537,393 .81	145,766 .22
1951-52.....	70,596,215.05	561,703 .80	225,408 .32
1952-53.....	69,947,161.78	539,325 .77	539,325 .77

*Includes delinquent taxes for 1931-32 and those of prior years.



CITY AND COUNTY OF SAN FRANCISCO
TAX YIELD
FISCAL YEAR 1953-54

	Valuation	Tax Yield	Rate Per \$100
Taxes on property assessed by City and County:			
Real Estate, Improvements, and Secured			
Personal Property:			
Real Estate and Improvements.....	\$899,525,635		
Tangible Personal Property.....	8,114,636		
Less Veterans' and Welfare Exemptions.....	49,911,533		
	857,728,738	\$53,779,747.94	6.27
Solvent Credits.....	5,772,285	5,771.54	.00
Total.....	863,501,023	53,785,519.48	
Unsecured Personal Property (Collected):			
Tangible Personal Property.....	115,621,021		
Less Veterans' and Welfare Exemptions.....	1,581,597		
	114,039,424	6,466,083.50	5.67
Solvent Credits.....	438,474,853	438,481.72	.10
Total.....	552,514,277	6,904,565.22	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property.....	116,681,077		
Less Veterans' and Welfare Exemptions.....	432,798		
	116,248,279	6,591,301.62	5.67
Solvent Credits.....	160,111,877	160,114.30	.10
Total.....	276,360,156	6,751,415.92	
Total Assessed by City and County Assessor...	1,692,375,456	67,441,500.67	
Taxes on property Assessed by State Board of Equalization:			
Real Estate and Improvements.....	85,484,870		
Tangible Personal Property.....	47,872,160	8,361,486.32	6.27
Solvent Credits.....	59,152,340	59,152.34	.10
Total Assessed by State Board of Equalization.....	192,509,370	8,420,638.66	
Total of above Assessments.....	1,884,884,826		
Total Tax Yield 1953-54.....		75,862,139.33	
Reassessments.....		385.86	
TOTAL TAX YIELD.....		\$75,862,525.19	

CITY AND COUNTY OF SAN FRANCISCO
STATEMENT OF BONDING CAPACITY
AT JUNE 30, 1953

Maximum Limit:

12% of 1953-54 Assessment Roll (\$1,884,884,826)..... \$226,186,179

Bonded Debt Not Matured June 30, 1953:

Total	\$197,866,000	
Exempt from 12% Limit (a)	78,106,000	119,760,000

Limit of Future Bond Sales (Subject to 12% Limit).....		\$106,426,179
--	--	---------------

Unissued (Unsold) Bonds, June 30, 1953:

	Total	Exempt from 12% Limit	Subject to 12% Limit
1947 Street Improvement.....	\$ 7,950,000		\$ 7,950,000
1947 Off-Street Parking.....	4,000,000		4,000,000
1947 Recreation.....	3,770,000		3,770,000
1948 Sewage Treatment.....	2,450,000		2,450,000
1948 Schools.....	7,990,000		7,990,000
1952 Firehouse.....	4,750,000		4,750,000
Total.....	\$30,910,000	—0—	\$30,910,000

(a) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County subject to the City and County taxes, exclusive of bonds issued for the following purposes:

For water supply, storage, or distribution purposes.

For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (To date no such bonds have been issued.)

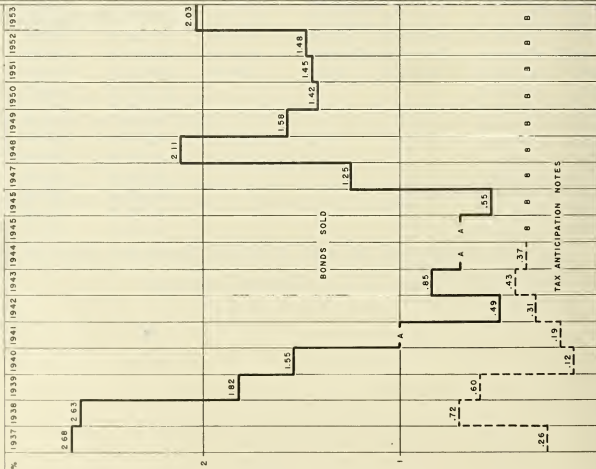
CITY AND COUNTY OF SAN FRANCISCO
ANNUAL BOND INTEREST AND REDEMPTION REQUIREMENTS
BASED UPON BONDED INDEBTEDNESS
AS AT JUNE 30, 1953

FISCAL YEAR	GRAND TOTAL	General City, Including S. F. U. S. D.			Public Service Enterprises		
		Total	Bond Redemption	Bond Interest	Total	Bond Redemption	Bond Interest
1953-54	\$ 19,066,912.50	\$ 7,220,673.75	\$ 5,654,000	\$ 1,566,673.75	\$ 11,846,238.75	\$ 8,580,000	\$ 3,266,238.75
1954-55	19,929,668.75	7,931,586.25	6,394,000	1,537,586.25	11,998,082.50	8,946,000	3,052,082.50
1955-56	19,621,298.75	7,847,748.75	6,443,000	1,404,748.75	11,773,550.00	8,945,000	2,828,550.00
1956-57	19,312,633.75	7,760,557.50	6,487,000	1,273,557.50	11,552,076.25	8,951,000	2,601,076.25
1957-58	18,507,078.75	7,806,498.75	6,662,000	1,144,498.75	10,700,580.00	8,314,000	2,386,580.00
1958-59	18,177,480.00	7,680,137.50	6,666,000	1,014,137.50	10,497,342.50	8,334,000	2,163,342.50
1959-60	17,699,508.75	7,547,936.25	6,661,000	886,936.25	10,151,572.50	8,211,000	1,940,572.50
1960-61	16,344,131.25	7,316,798.75	6,561,000	755,798.75	9,027,332.50	7,314,000	1,713,332.50
1961-62	15,373,461.25	6,940,973.75	6,316,000	624,973.75	8,432,487.50	6,930,000	1,502,487.50
1962-63	15,041,913.75	6,819,028.75	6,315,000	504,028.75	8,222,885.00	6,929,000	1,293,885.00
1963-64	13,729,512.50	6,149,260.00	5,767,000	382,260.00	7,580,252.50	6,496,000	1,084,252.50
1964-65	12,399,850.00	5,977,225.00	5,702,000	275,225.00	6,422,625.00	5,531,000	891,625.00
1965-66	10,090,061.25	5,756,110.00	5,576,000	180,110.00	4,333,951.25	3,593,000	740,951.25
1966-67	5,466,956.25	2,092,775.00	2,015,000	77,775.00	3,374,181.25	2,750,000	624,181.25
1967-68	5,018,348.75	1,754,037.50	1,725,000	29,037.50	3,264,311.25	2,750,000	514,311.25
1968-69	3,057,385.00	491,062.50	485,000	6,062.50	2,566,322.50	2,160,000	406,322.50
1969-70	2,110,965.00	.....	.....	.....	2,110,965.00	1,800,000	310,965.00
1970-71	1,929,482.50	.....	.....	.....	1,929,482.50	1,700,000	229,482.50
1971-72	775,500.00	.....	.....	.....	775,500.00	600,000	175,500.00
1972-73	748,500.00	.....	.....	.....	748,500.00	600,000	148,500.00
1973-74	721,500.00	.....	.....	.....	721,500.00	600,000	121,500.00
1974-75	694,500.00	.....	.....	.....	694,500.00	600,000	94,500.00
1975-76	667,500.00	.....	.....	.....	667,500.00	600,000	67,500.00
1976-77	640,500.00	.....	.....	.....	640,500.00	600,000	40,500.00
1977-78	613,500.00	.....	.....	.....	613,500.00	600,000	13,500.00
	\$237,738,148.75	\$97,092,410.00	\$85,429,000	\$11,663,410.00	\$140,645,738.75	\$112,437,000	\$28,208,738.75

Unsold Bonds at June 30, 1953 in the amount of \$30,910,000 are not included.

CITY AND COUNTY OF SAN FRANCISCO

AVERAGE NET INTEREST COST

ON BONDS AND TAX ANTICIPATION NOTES
SOLD DURING FISCAL YEARS ENDING

A - No Bonds Sold

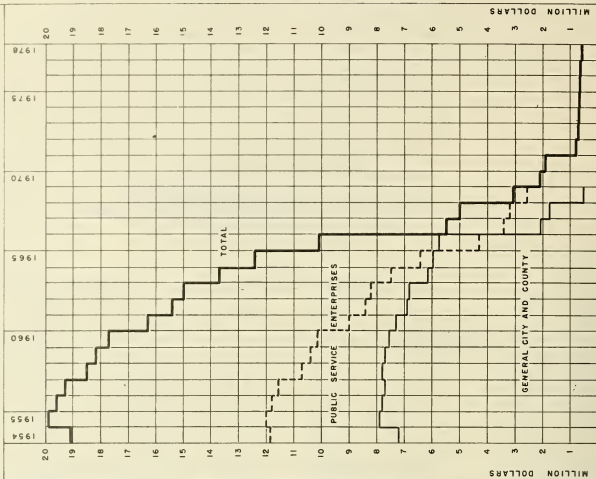
B - No Tax Anticipation Notes Sold

H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

BOND INTEREST AND REDEMPTION

REQUIREMENTS FOR FISCAL YEARS ENDING



H. D. ROSS, CONTROLLER

**CITY AND COUNTY OF SAN FRANCISCO
BOND INTEREST AND REDEMPTION
FUNDING STATEMENT**

Fiscal Years 1944-45 to 1953-54

FISCAL YEAR ENDED JUNE 30

SOURCE OF REVENUES:

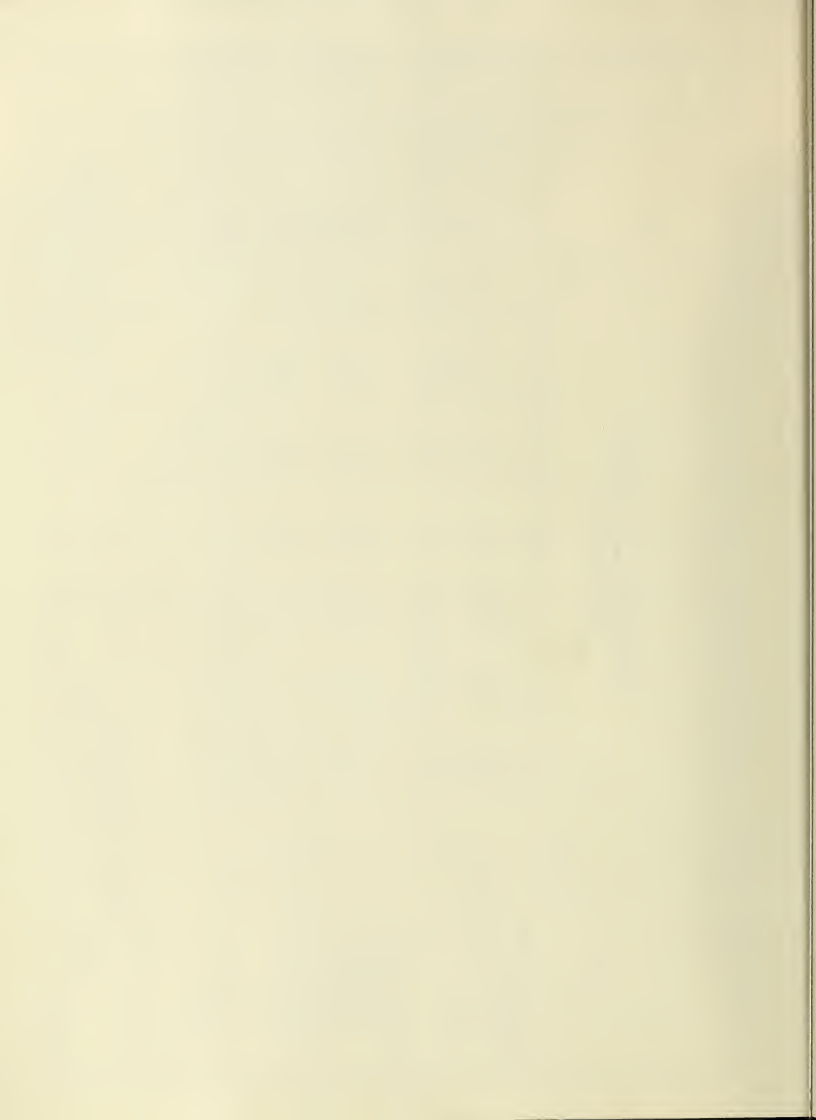
General City Issues:

	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954
Taxes.....	\$ 4,695,174	\$ 4,542,792	\$ 4,807,305	\$ 4,017,955	\$ 3,596,089	\$ 2,650,025	\$ 2,690,858	\$ 2,595,777	\$ 2,120,382	\$ 2,215,536
Special Road Improvement Fund.....	88,200	88,200	88,200	88,200	.....	.....	.....	.....	.....	.....
Capital Improvement Fund.....	.....	.....	.....	516,250	1,719,797	3,228,497	3,996,069	4,591,367	5,017,833	5,052,863
Surplus.....	29,726	12,596	.....	.....	.....	156,932	.....	.....	.....	.....
	4,813,100	4,643,588	4,895,505	4,622,405	5,315,886	6,015,454	6,686,927	7,187,144	7,138,215	7,268,399

Public Service Enterprises:

Utility Earnings:

Water Department.....	5,070,389	5,392,392	6,210,245	5,610,412	6,250,831	6,520,270	6,607,787	6,466,282	6,522,665	6,441,567
Hetch Hetchy Project.....	2,087,213	1,832,590	1,330,378	1,505,373	1,367,307	1,161,340	1,273,059	1,391,671	1,371,771	1,361,727
Municipal Railway.....	142,500	137,500	132,500	127,500	868,771	1,231,388	315,722	1,849,107	1,849,107	1,861,459
Airport.....	.....	.....	.....	.....	.....	.....	124,584	366,099	437,912	665,500
Proceeds from Bond Funds.....	.....	2,891	.....	.....	.....	.....	.....	620,151	.....	.....
Capital Improvement Fund (via Utility).....	.....	.....	.....	1,162,500	2,358,085	1,666,765	968,202	.....	.....	.....
Taxes (via Utility).....	1,035,948	792,007	849,565	294,710	289,855	1,665,360	3,105,818	2,827,350	1,602,725	1,466,892
Surplus.....	6,708	.....	.....	.....	.....	.....	.....	.....	.....	.....
	8,342,758	8,157,380	8,522,688	8,700,495	11,134,849	11,745,123	12,395,172	11,671,553	11,781,180	11,795,115
Total Budgeted Requirements.....	\$13,155,858	\$12,800,968	\$13,418,193	\$13,322,900	\$16,450,735	\$17,760,577	\$19,082,099	\$18,858,697	\$18,922,365	\$19,063,544



Office of the Controller



REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1953

Price Waterhouse & Co.

351 CALIFORNIA STREET, SAN FRANCISCO 4

November 9, 1953

The Honorable Board of Supervisors
City and County of San Francisco
San Francisco, California

Dear Sirs:

In accordance with your resolution No. 13423, we have made an examination, to the extent outlined in this report, of the financial statements relating to the Office of the Controller of the City and County of San Francisco for the year ended June 30, 1953. The financial statements, attached hereto, are as follows:

	<u>Exhibit</u>
General City and County (i.e. exclusive of Public Service Enterprises) and San Francisco Unified School District:	
Combined balance sheet, all funds, June 30, 1953.....	A
Summary of changes in unappropriated balance of funds, for the year ended June 30, 1953	B
Statement of revenues and expenses, for the year ended June 30, 1953.....	C
Summary of fixed assets, June 30, 1953	D
Bonded indebtedness, June 30, 1953	E
Individual fund balance sheets June 30, 1953:	
Summary	F
Current funds	G
Capital funds	H
Retirement and other public trust funds	I
Private trust funds	J
Assessment and redemption funds	K
Agency funds	K
Public Service Enterprises:	
Reconciliation of proprietary surplus with unappropriated balance of funds, June 30, 1953.....	L
Individual fund balance sheets, June 30, 1953	M

SCOPE OF EXAMINATION

Proprietary accounts for the Public Service Enterprises are not maintained in the Office of the Controller but are maintained in the offices of the several enterprises. Examinations of these accounts are made by other auditors as follows:

- By other independent public accountants:
 Municipal Railway of San Francisco
 San Francisco Water Department and Hetch Hetchy Project
- By the Controller's Utilities Audit Division:
 Public Utilities Commission
 San Francisco Airport

Our examination of the financial statements relating to the Office of the Controller was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records maintained in the Office of the Controller and such other auditing procedures as we considered necessary in the circumstances; we did not extend our tests to records of other offices. However, in the preparation of this report, we have necessarily incorporated data from reports prepared in connection with examinations made as at June 30, 1953 by other auditors as follows:

- By other independent public accountants:
 San Francisco Unified School District (a separate political entity)
 City and County of San Francisco Employees' Retirement System
- By the Controller's General Audit Division:
 Cash, securities and accounts of the Treasurer's Office

OPINION

In our opinion, based on the examination previously described, the accompanying financial statements, together with the notes thereto, present fairly the position at June 30, 1953 and the results of operations for the year then ended of the City and County of San Francisco and the San Francisco Unified School District, in conformity with generally accepted principles of governmental accounting applied on a basis consistent with that of the preceding year.

Yours very truly,

PRICE WATERHOUSE & CO.

EXHIBIT A
CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)

—AND—
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
COMBINED BALANCE SHEET — ALL FUNDS
(See Notes to Financial Statements)

ASSETS AND OTHER RESOURCES

	June 30, 1953	June 30, 1952
CASH:		
On deposit with Treasurer.....	\$ 60,820,582	\$ 69,960,840
Less—Outstanding warrants, matured bonds and coupons.....	1,304,162	783,732
	\$ 59,516,420	\$ 69,177,108
Revolving funds.....	49,750	59,550
	\$ 59,566,170	\$ 69,236,658

ACCOUNTS RECEIVABLE:

Real and personal property taxes, penalties and costs, secured.....	\$ 619,779	\$ 669,952
Personal property taxes, penalties and costs, unsecured.....	1,827,465	1,688,954
Purchase order advances.....	1,865,923	1,891,004
Grants-in-aid and shared state taxes.....	3,792,987	3,247,780
Departmental receivables.....	908,655	1,137,679
Receivable under contract for sale of bonds (Note A).....	7,300,000	-
Accrued interest and other.....	1,305,614	1,156,301
	\$ 17,617,125	\$ 9,791,670
Less—Reserves.....	2,768,831	2,826,739
	\$ 14,848,294	\$ 6,964,931

OWING BY PUBLIC SERVICE ENTERPRISES (NET)

Securities.....	\$ 126,683,587	\$ 109,515,848
Real estate, etc.....	55,990	35,990
	\$ 126,739,577	\$ 109,571,838
OTHER RESOURCES:		
Authorized but unsold bonds (Note A).....	\$ 30,910,000	\$ 44,460,400
Available federal aid.....	486,000	606,377
Available state aid, less reserves of \$1,650 (1953) and \$126,798 (1952).....	\$ 31,396,000	\$ 43,066,377
	\$ 244,531,086	\$ 247,105,911

Supplementary Data:

(1) Properties owned by Public Service Enterprises (Exhibit C)

(2) Fixed assets other than properties and equipment of the city-owned Public Service Enterprises (Exhibit D) (Note B)

(3) Bonded indebtedness (other than that of the city-owned Public Service Enterprises) (Exhibit E)

(4) Contingencies (liabilities, etc.) (Note F)

LIABILITIES AND FUND BALANCES

	June 30, 1953	June 30, 1952
ACCOUNTS PAYABLE, ETC.:		
Accounts payable.....	\$ 909,641	\$ 1,020,486
Accrued payroll.....	3,206,131	3,521,473
Deposits and sundry.....	50,974	90,281
	\$ 4,166,746	\$ 4,632,240

DEFERRED CREDITS:

Unsecured personal property taxes applicable to the ensuing fiscal year.....	\$ 5,248,797	\$ 5,961,026
Miscellaneous.....	1,261,456	874,562
	\$ 6,510,253	\$ 6,835,588

RETIREMENT, TRUST AND AGENCY FUND BALANCES (for balances of individual funds, see Exhibits F, J, K and L):

Reserve for encumbrances.....	\$ 100,926	\$ 66,880
Unallocated tax appropriations, Employees' Retirement Fund.....	1,422,442	1,698,346
Other balances, unencumbered.....	133,882,930	117,987,564
	\$ 135,406,298	\$ 119,752,790

CURRENT AND CAPITAL FUND BALANCES AND RESERVES:

Reserves:		
Cash reserve fund.....	\$ 7,059,622	\$ 7,059,622
Reserve for encumbrances.....	15,319,197	18,107,210
Reserve for unencumbered appropriations.....	49,943,971	56,806,403
	\$ 68,322,790	\$ 82,073,235
Unappropriated balance of funds (for balances of individual funds, see Exhibit F, G and H) (Exhibit B).....	29,125,200	17,900,000
	\$ 88,448,589	\$ 92,803,119
	\$ 146,771,336	\$ 141,076,354

EXHIBIT B
CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
—AND—
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF CHANGES IN UNAPPROPRIATED BALANCE OF FUNDS

	YEAR ENDED	
	June 30, 1953	June 30, 1952
Balance, beginning of year.....	\$17,800,060	\$26,324,809
Add:		
Excess of revenues over expenses (Exhibit C).....	8,616,786	11,682,601
Reduction in reserves:		
	June 30, 1953	June 30, 1952
Cash reserve fund.....	\$ 7,059,622	\$ 7,059,622
Reserve for		June 30, 1951
encumbrances.....	15,319,197	18,107,230
Reserve for unencum-		
bered appropriations.....	45,943,971	56,866,403
	\$68,322,790	\$82,033,255
	\$89,866,910	13,710,465
Additional bonds authorized.....	4,750,000	7,833,655
Federal aid made available.....	540,000	
Receipt of State Aid under Chapter 47, Statutes of 1944 (recovery of certain capital outlays from bond funds).....		119,758
Proceeds from sales of fixed assets (book value of assets sold, 1953—\$264,908, 1952—\$84,477).....	649,286	99,021
Miscellaneous.....	64,276	
	\$46,130,873	\$46,059,844
Deduct:		
Additions to fixed assets.....	\$20,644,480	\$22,159,653
Less—Amounts contributed by State Highway Trust Fund.....	478,906	640,647
	\$20,165,574	\$21,519,006
Bonds redeemed.....	5,540,000	5,633,000
Expenditures on uncompleted interdepartmental work orders, charged to unappropriated balance of funds:		
At June 30, 1953.....	\$3,727,929	
At June 30, 1952.....	3,428,429	299,500
At June 30, 1951.....	2,491,855	936,574
Miscellaneous.....		151,204
	\$26,005,074	\$28,259,784
Balance, end of year.....	\$20,125,799	\$17,800,060

EXHIBIT C
CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
—AND—
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES AND EXPENSES

	YEAR ENDED	
	June 30, 1933	June 30, 1932
Revenues:		
Property taxes, penalties, interest and costs.....	\$ 69,852,672	\$ 70,595,833
Grants-in-aid and shared state taxes.....	39,508,407	38,932,329
Departmental service charges, etc.....	6,620,108	6,182,217
Retail purchase and use tax.....	5,049,201	4,923,011
Fines, forfeits and penalties other than from property taxes.....	2,246,475	1,882,283
Franchise taxes.....	1,049,986	980,203
Licenses.....	648,467	633,939
Bank interest.....	526,697	530,303
Rentals from nonoperating school property.....	367,265	358,657
Housing authority in lieu of taxes.....	244,435	326,222
Other.....	134,104	87,988
	<u>\$126,247,817</u>	<u>\$125,433,005</u>
Expenses:		
Departmental expenses (adjusted for inventories and other deferred charges):		
General government.....	\$ 8,539,705	\$ 8,715,151
Public safety.....	18,748,784	17,553,005
Highways.....	2,722,831	1,950,737
Sanitation.....	2,957,688	2,569,931
Health conservation.....	2,502,420	2,390,419
Hospitals.....	6,478,313	6,360,753
Public welfare.....	22,233,625	22,262,193
Corrections.....	1,801,926	1,208,701
Schools.....	29,341,754	26,798,540
Libraries.....	935,314	923,541
Recreation.....	5,075,479	4,944,539
	<u>\$101,337,839</u>	<u>\$ 95,677,549**</u>
Pension costs—Employees' Retirement System.....	12,541,720	11,880,452
Bond interest (accrual basis).....	1,447,005	1,367,580
Civilian Defense.....	218,896	303,405
Assessments, Joint Highway Districts.....	99,000	169,133
Provision from property and other taxes for support of:		
Municipal Railway.....	9,000*	2,381,117
Airport.....	1,604,412	1,712,594
Public Utilities Commission.....	1,812	65,136
Miscellaneous.....	213,370	21,719
	<u>\$117,455,084</u>	<u>\$113,581,715</u>
Excess of revenues over expenses, proprietary basis.....	<u>\$ 8,792,733</u>	<u>\$ 11,851,290</u>
Add:		
Deferred charges, beginning of year:		
Inventories of materials and supplies.....	\$ 1,095,040	\$ 1,039,366
Miscellaneous.....	96,999	78,764
Accrued bond interest, end of year.....	460,357	400,097
	<u>\$ 1,652,396</u>	<u>\$ 1,518,227</u>
Deferred charges, end of year:		
Inventories of materials and supplies.....	\$ 1,078,153	\$ 1,035,020
Miscellaneous.....	196,297	36,949
Accrued bond interest, beginning of year.....	499,997	518,790
Federal aid collections included in proprietary revenues.....	54,000	
	<u>\$ 1,828,447</u>	<u>\$ 1,626,952</u>
Excess of revenues over expenses, funding basis.....	<u>\$ 8,616,786</u>	<u>\$ 11,936,509</u>

*Denotes reduction.

**For comparative purposes, certain relatively minor reclassifications have been made in departmental expenses for the fiscal year ending June 30, 1932.

CITY AND COUNTY OF SAN FRANCISCO
— AND —
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS RELATING TO THE OFFICE OF
THE CONTROLLER, FOR THE YEAR ENDED JUNE 30, 1953

NOTE A—Bonds authorized but unsold:

The following is a summary of unissued and unsold bonds, exclusive of bonds of the city owned Public Service Enterprises, as at June 30, 1953:

Unissued bonds:

1947 Street Improvement.....	\$ 7,950,000	
1947 Off-Street Parking.....	4,000,000	
1947 Recreation.....	6,270,000	
1948 Sewage Treatment.....	2,450,000	
1948 Schools.....	12,790,000	
1952 Firchouse.....	4,750,000	\$38,210,000

Deduct—Bonds sold (bid accepted) June 29, 1953 but not
issued until August 1, 1953:

1947 Recreation.....	\$ 2,500,000	
1948 Schools.....	4,800,000	7,300,000

Unsold bonds, June 30, 1953..... \$30,910,000

NOTE B—Fixed assets:

The amount of \$338,138,659 does not purport to represent the cost of properties and equipment presently owned by the City and County, exclusive of the city owned Public Service Enterprises, and by the School District; the principal reasons for this are as follows:

- (1) An equity of approximately \$606,000 has been acquired in parking meters (including \$45,000 during the year under review) which, together with the balance of \$34,000 owing at June 30, 1953 on meters installed to that date, has not been taken up in the accounts. One-half of the collections from each newly installed meter is paid to the vendor of the meter until such time as the agreed purchase price has been paid in full; the other half of the collections is credited to revenue.
- (2) A substantial but undetermined portion of expenditures on inter-departmental work orders in progress at the end of each fiscal year (\$3,729,929 at June 30, 1953 and \$3,428,429 at June 30, 1952 per Exhibit B) is applicable to land, structures or equipment but such expenditures are not charged to fixed assets until each of the several jobs is completed.
- (3) A substantial but undetermined amount of retentions from payments or accruals for work completed to June 30, 1953 on construction contracts then in progress has not been given recognition in the accounts as at that date except in the reserve for encumbrances.
- (4) Certain of the properties are recorded at appraised values.

NOTE C—Contingent liabilities, suits, claims, etc.:

According to the City Attorney and Counsel for the School District, there were damage suits pending against the City and County and against the School District at June 30, 1953 aggregating approximately \$22,000,000 and \$100,000, respectively; also there were a large number of claims pending which had not yet resulted in legal action. Included in the claims of \$22,000,000 against the City and County, were claims aggregating approximately \$16,500,000 against the Municipal Railway in respect of which the Railway has provided a reserve of \$3,040,000; no such reserve has been provided by any of the other departments of the municipality nor by the School District.

The Retirement Board has estimated the reserve requirements as at June 30, 1953 for employees compensation claims at \$1,338,000 for the entire municipality including \$113,000 for the School District. No provision has been made in the books nor on the accompanying financial statements in respect of the portion of this estimated liability, \$1,080,000, which applies to General City and County Departments and School District. It is the practice of the municipality to provide funds in each annual appropriation ordinance in an amount estimated to be sufficient to meet payments under these claims during the ensuing year.

It is the practice of the municipality to have an actuarial estimate made ~~once every six years~~ of the amount of the City's unfunded prior service pension costs. These unfunded costs amounted to approximately \$40,500,000 at June 30, 1951, the date of the most recent estimate.

The City and County of San Francisco is contingently liable in respect of the operation expenses and of the bond interest and redemption charges of the Golden Gate Bridge and Highway District by reason of its participation in the District. The unaudited financial statements of the Bridge District for the year ended June 30, 1953 show:

- (1) Net income of \$2,079,159, after provision for bond interest.
- (2) Bonds outstanding at June 30, 1953 of \$31,200,000, which mature \$800,000 per annum in the next five years.
- (3) A sinking fund for retirement of bonded debt amounting at June 30, 1953 to \$7,622,057

EXHIBIT D
CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
— AND —
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
SUMMARY OF FIXED ASSETS
JUNE 30, 1953

	Total	Land	Structures and Improvements	Equipment
Current Year's Additions—Net:				
General Government:				
Civic Center, including City Hall.....	\$ 70,205		\$ 12,555	\$ 57,650
Public Safety:				
Fire Department.....	425,994	\$ 17,958	277,486	130,550
Police Department.....	80,889		279	80,610
Department of Electricity.....	26,706		3,456	23,250
Highways:				
Streets, tunnels, bridges, etc.....	5,032,178	24,272	4,988,555	19,351
Asphalt plant.....	24,031		24,031	
Off-street parking.....	183,074	174,794	8,280	
Sanitation:				
Sewers and sewage disposal plants.....	2,367,564	3,157	2,334,796	29,611
Street Cleaning Department.....	2,510			2,510
Health Conservation:				
Hassler Health Home.....	6,391			6,391
Civic Center Health Building.....	6,544			6,544
Hospitals:				
San Francisco Hospital.....	182,763		145,521	37,242
Emergency Hospitals.....	5,315			5,315
Public Welfare:				
Laguna Honda Home.....	12,114			12,114
Welfare Department.....	9,033			9,033
Corrections:				
Juvenile Detention Home.....	9,626		9,626	
Youth Guidance Center.....	3,209		3,209	
Log Cabin Ranch.....	1,823		1,280	543
Schools.....	11,014,109	65,754	10,142,247	806,108
Libraries.....	11,866	4,980	3,835	2,951
Recreation:				
Playgrounds and swimming pools.....	381,623	1,864	353,026	26,733
Museum, art galleries, etc.....	83,550		68,340	15,210
War Memorial and Opera House.....	888		1,025	137*
Parks and squares.....	314,491	77,337	215,749	21,405
Auditorium.....	2,326			2,326
Golf links.....	22,500	22,500		
Kezar Stadium.....	3,000		3,000	
Others:				
Central warehouse and corporation yard.....	10,476		10,476	
Miscellaneous.....	84,775	3,532	36,597	44,746
	\$ 20,379,573	\$ 396,148	\$ 18,643,269	\$ 1,330,156
Prior Years' Additions.....	317,759,086	59,220,212	234,619,517	23,919,297
	<u>\$338,138,659</u>	<u>\$59,616,360</u>	<u>\$253,262,786</u>	<u>\$25,249,453</u>

*Denotes reduction.

EXHIBIT E
CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
— AND —
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS — JUNE 30, 1953

Schools:

March 1, 1923, 5¢	\$ 4,200,000	
1948, Series A—March 1, 1949, 1¼¢ and 1½¢	5,900,000	
1948, Series B—April 1, 1951, 1¼¢ and 1¾¢	9,490,000	
1948, Series C—March 1, 1952, 1½¢	8,650,000	
1948, Series D—December 1, 1952, 1¾¢	10,000,000	
1948, Series E—August 1, 1953, 2½¢ and 4¢	4,800,000*	\$43,040,000

Parks and Playgrounds:

Parks and Squares, February 1, 1931, 4½¢	\$ 392,000	
Playgrounds, February 1, 1931, 4½¢	56,000	
1947 Recreation, Series A—August 1, 1948, 1½¢ and 1¾¢	1,674,000	
1947 Recreation, Series B—November 1, 1949, 1¢ to 1½¢	1,068,000	
1947 Recreation, Series C—September 1, 1950, 1¢ to 1½¢	1,994,000	
1947 Recreation, Series D—August 1, 1953, 2½¢ and 4¢	2,500,000*	7,684,000

Boulevards and Roads:

Boulevards and Roads, February 1, 1931, 4½¢	\$ 252,000	
1947 Street Improvement, Series A—February 1, 1948, 2¢	1,500,000	
1947 Street Improvement, Series B—August 1, 1949, 1¢ to 4¢	1,670,000	
1947 Street Improvement, Series C—November 1, 1949, 1¢ to 1½¢	4,680,000	
1947 Street Improvement, Series D—September 1, 1950, 1¼¢ and 1½¢	754,000	
1947 Street Improvement, Series E—March 1, 1952, 1¼¢ and 1½¢	2,375,000	
1947 Street Improvement, Series F—December 1, 1952, 1¾¢	1,000,000	12,231,000

Sewers:

July 1, 1908, 5¢	\$ 200,000	
January 1, 1929, 4½¢	200,000	
December 1, 1933, 4¢	865,000	
1944, Series B—February 1, 1948, 1¾¢ to 2½¢	5,330,000	
1948 Sewage Treatment, Series A—August 1, 1949, 1¢ to 4¢	6,309,000	
1948 Sewage Treatment, Series B—November 1, 1949, 1¢ to 1½¢	2,508,000	
1948 Sewage Treatment, Series C—March 1, 1952, 1¼¢ and 1½¢	1,925,000	17,337,000

Fire Protection:

July 1, 1908, 5¢	\$ 390,000	
High Pressure System, December 1, 1933, 3¢	100,000	490,000

Other issues:

City Hall and Civic Center, July 1, 1912, 5¢	\$ 1,600,000	
1948 Juvenile Court and Detention Home, Series A— August 1, 1948, 1½¢ and 1¾¢	1,301,000	
1948 Juvenile Court and Detention Home, Series B— November 1, 1949, 1¢ to 1½¢	771,000	
1947 Off-Street Parking, Series A—March 1, 1952, 1¼¢ and 1½¢	975,000	4,647,000
		<u>\$85,429,000</u>

* These bonds were sold (bid accepted) June 29, 1953 but were not issued until August 1, 1953.

EXHIBIT F

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)

— AND —

SAN FRANCISCO UNITED SCHOOL DISTRICT
SUMMARY OF INDIVIDUAL FUND BALANCE SHEETS
JUNE 30, 1953

	Current funds (Exhibit G)	Capital funds (Exhibit H)	Retirement and public trust funds (Exhibit I)	Private trust funds (Exhibit J)	Assessment and redemption funds (Exhibit K)	Agency funds (Exhibit K)	Adjustments and transfers*		Total after adjustment
							Debit	Credit	
Assets and Other Resources									
Cash.....	\$27,506,836	\$20,926,766	\$ 3,631,113	\$2,819,424	\$12,344	\$835,659	\$ 49,750(A) 4,095,376(C)	\$ 311,098(D)	\$ 59,566,170
Receivables, less reserves.....	9,071,903	7,300,000	891,515	.....	340	.....	2,736,225(H)	.....	14,848,294
Interfund accounts receivable.....	17,949,097	250,000	587,349	.....	.....	.....	333,367(B)	32,606(J)	1,981,845
Investments.....	496,553	.....	.....	.....	.....	.....	330,834(D)	17,071,385(L)	126,739,577
Other resources, less reserve.....	.....	30,910,000	126,739,577	.....	.....	.....	.....	1,650(H)	31,396,000
	.....	.....	.....	.....	.....	.....	.....	9,303(K)	.....
	\$55,024,789	\$59,386,766	\$131,849,554	\$2,819,424	\$12,684	\$835,659	.....	.....	\$234,531,886
Liabilities and Fund Balances									
Accounts payable, etc.....	.....	.....	.....	.....	.....	.....	.....	4,095,376(C)	\$ 4,166,746
	.....	.....	.....	.....	.....	.....	.....	19,736(D)	.....
	.....	.....	.....	.....	.....	.....	.....	50,975(E)	.....
	.....	.....	.....	.....	.....	.....	.....	659(H)	.....
Deferred credits.....	\$ 6,510,253	.....	.....	.....	.....	.....	.....	.....	6,510,253
Retirement, trust and agency fund balances:									
Reserve for encumbrances.....	.....	.....	\$ 85,232	\$ 659	.....	\$ 15,035	.....	.....	100,926
Unallocated tax appropriations, Employees' Retirement Fund.....	.....	.....	1,698,346	2,818,483	\$12,684	816,704	275,904(M)	178,854(I)	1,492,443
Other balances, unencumbered.....	.....	.....	129,780,301	.....	.....	.....	.....	275,904(M)	133,887,930
Interfund accounts payable.....	12,442,665	\$ 4,338,843	285,675	282	.....	3,920	17,071,385(L)	.....	.....
Reserve:									
Cash reserve fund.....	7,059,622	.....	.....	.....	.....	.....	.....	.....	7,059,622
Reserve for encumbrances.....	4,561,362	10,757,235	.....	.....	.....	.....	.....	.....	15,319,197
Reserve for unencumbered tax appropriations.....	13,234,825	32,710,553	.....	.....	.....	.....	50,975(E)	49,568(I)	45,945,378
Other reserves.....	2,796,002	.....	.....	.....	.....	.....	49,568(G)	.....	49,568(G)
	.....	.....	.....	.....	.....	.....	2,738,534(H)	.....	2,738,534(H)
	.....	.....	.....	.....	.....	.....	242,904(I)	.....	242,904(I)
	.....	.....	.....	.....	.....	.....	32,606(J)	.....	32,606(J)
	.....	.....	.....	.....	.....	.....	4,403(K)	.....	4,403(K)
Unappropriated balance of fund.....	8,418,800	11,580,135	.....	.....	.....	.....	.....	49,568(I)	11,580,135

	\$55,024,789	\$59,386,766	\$131,849,554	\$2,819,424	\$12,684	\$835,659	.....	.....	\$234,531,886

EXHIBIT F (Continued)

Adjustments and transfers:

- (A) To restore revolving funds to cash.
- (B) To record tuition receivable from other counties for nonresident students at City College.
- (C) To reclassify as payables, warrants recorded in June, issued in July.
- (D) To reclassify, from cash in transit account, receivables from Public Service Enterprises and payables to others, for payroll deductions.
- (E) To record sundry payables.
- (F) To eliminate reserves provided for supplemental appropriations to be made after June 30, 1953.
- (G) To eliminate reserves provided against advances to General Fund, from other funds, for stores revolving funds.
- (H) To reclassify reserves for unsecured property taxes, departmental receivables, etc.
- (I) To eliminate interdepartmental work order and budget transfer balances between general city funds and:

Retirement, Trust and Agency Funds.....	\$178,854
Public Service Enterprise Funds.....	64,050
	\$242,904
- (J) To record reserves against sundry receivables.
- (K) To eliminate sundry small supply inventories.
- (L) To net interfund balances.
- (M) To record reduction during year ended June 30, 1953 in unallocated tax appropriations, Employees' Retirement Fund.

EXHIBIT C
CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
— AND —
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS — CURRENT FUNDS
JUNE 30, 1953

	Cash	Receivables	Other Resources	Interfund Accounts	Total	Deferred Credits	Reserves	Interfund Accounts	Encumbrances Appropriations	Unencumbered Appropriations	Unappropriated	Cash Reserve Fund
General, 1953-1954.....	\$ 663,631	\$2,179,490	\$ 9,303	\$ 1,975,738	\$ 1,975,738		\$ 938,054	\$ 2,783,881	\$2,746,602	\$ 3,249,846	\$1,975,738	
General, 1952-1953.....	688,859	5,425		10,636,648	10,636,648	\$1,169,689		128	76,248	128,015		
General, prior years.....	269,438	1,121,802		749,658	749,658	500		159	403,788	387,030		
Capital Improvement.....	726,537	2,467		1,391,240	1,391,240			1,297	48,559			
Recreation and Park.....	313,966	1,560		435,261	1,041,265	28,383		6,580	17,653	78,125		
Library.....	123,332			320,601	320,601							
Public Menagerie.....	123,332			123,332	123,332							
California Palace of the Legion of Honor.....	168,991			163,991	163,991							
de Young Museum.....	24,732			24,732	24,732							
Publicity and Advertising.....	869,333			1,222,684	1,222,684							
Bond Interest and Redemption.....	62,776			62,776	62,776							
Special Election.....	4,647,857	579,339		5,260,270	5,260,270							
Special Road Improvement.....	3,119,654	817,779		4,465,612	4,465,612							
San Francisco Unified School District.....	131,519	10,752		142,271	142,271							
Child Care Center-State.....	5,897			5,897	5,897							
Special Accumulative Building Fund—S.F.U.S.D.....	8,865			8,865	8,865							
County School Service.....	224,452			224,452	224,452							
School Cafeteria.....	197,567			197,567	197,567							
Employees' Retirement—Current.....	7,633,127	1,907,569		9,582,813	9,582,813							
San Francisco Tax Street Improvement.....	2,896,561	1,991,565		5,786,650	10,174,278							
Cash Reserve.....	754,576			744,435	1,496,411							
Emergency Reserve.....	5,153			5,153	5,153							
Tax Anticipation Note Interest.....	20,400			20,400	20,400							
Embarcadero Widening.....	240,000			240,000	240,000							
Alcoholic Beverage License Subsidy.....	227,701			227,701	227,701							
Tuberculosis Aid Subsidy.....	167,930*			167,930*	167,930*							
Auditorium.....	171,332*			171,332*	171,332*							
Fremont's Relief and Pension.....	103,296*			103,296*	103,296*							
Police Relief and Pension.....	1,650			1,650	1,650							
State Aid—Chapter 47, Statutes 1944.....												
Unemployment Compensation.....	61,691			61,691	61,691							
Assessor's Personal Property Taxes, 1953-1954.....	5,248,797			5,248,797	5,248,797							
Tax Collector's Taxes.....	1,013			1,013	1,013							
Redemption of Property.....	100			100	100							
	\$2,466,836	\$9,011,903	\$196,933	\$17,999,097	\$35,024,709	\$8,310,271	\$2,786,602	\$12,442,663	\$1,761,862	\$13,244,825	\$8,419,968	\$ 1,975

* Police Reduction

EXHIBIT J
CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
— AND —
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS — PRIVATE TRUST FUNDS
JUNE 30, 1953

Cash		Total	Interfund Accounts	Encum- brances	Fund Balances
\$ 962	Absent Creditors	\$ 962	.....	.....	\$ 962
25,767	Absent Heirs	25,767	.....	.....	25,767
41,065	Adult Probation Officers' Deposit	44,065	.....	.....	44,065
938	Adult Probation Officers' Clearing Account	938	.....	.....	938
18,723	Coroner's Unclaimed Money	18,723	.....	.....	18,723
74,115	County Clerk Bail	74,115	.....	.....	74,115
361,170	County Clerk Special	361,170	.....	.....	361,170
	County Clerk Special—State Highway				
483,624	Commission.....	483,624	.....	.....	483,624
10,789	de Young Museum.....	10,789	.....	.....	10,789
18,749	Duplicate Taxes.....	18,749	.....	.....	18,749
25,608	Electrical Deposits.....	25,608	.....	.....	25,608
9,761	Jail Stores Deposits.....	9,761	\$150	\$ 28	9,583
6,301	Juvenile Court Deposits.....	6,301	.....	.....	6,301
	California Palace of the Legion				
1,048	of Honor.....	1,048	132	.....	916
485	Library Card Deposits.....	485	.....	.....	485
137,366	Municipal Court Bail.....	137,366	.....	.....	137,366
29,271	Municipal Court Special.....	29,271	.....	.....	29,271
1,209	Municipal Court Suspense.....	1,209	.....	.....	1,209
625	Police Department Deposits.....	625	.....	.....	625
45,453	Realty Deposits.....	45,453	.....	.....	45,453
9,440	School Teachers' Sabbatical Leave.....	9,440	.....	.....	9,440
1,437	Sheriff's Inmate Welfare Fund.....	1,437	.....	631	806
82,754	Sheriff's Trust.....	82,754	.....	.....	82,754
395	Special Badge.....	395	.....	.....	395
465	Street Improvement.....	465	.....	.....	465
912	Street Improvement—Ordinance 1934.....	912	.....	.....	912
10,148	Sunset Tunnel Assessment Refund.....	10,148	.....	.....	10,148
23,029	Traffic Court Suspense.....	23,029	.....	.....	23,029
18,779	Twin Peaks Tunnel Refund.....	18,779	.....	.....	18,779
53,161	War Bonds.....	53,161	.....	.....	53,161
730,406	Withholding Tax—General.....	730,406	.....	.....	730,406
	Withholding Tax—S. F. Unified				
353,699	School District.....	353,699	.....	.....	353,699
213,512	Withholding Tax—Municipal Railway.....	213,512	.....	.....	213,512
24,825	F.I.C.A. Taxes—Municipal Railway.....	24,825	.....	.....	24,825
314	F.I.C.A. Taxes—Redevelopment Agency.....	314	.....	.....	314
	California Unemployment Insurance				
119	Taxes—Redevelopment Agency.....	119	.....	.....	119
<u>\$2,819,424</u>		<u>\$2,819,424</u>	<u>\$282</u>	<u>\$659</u>	<u>\$2,818,483</u>

EXHIBIT K
CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
— AND —
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS

JUNE 30, 1953

Cash	Receivables	Total	Assessment and Redemption Funds			
			Total	Interfund Accounts	Encumbrances	Fund Balances
\$ 938	\$ 938	\$ 938	.....	.....	\$ 938
3,623	3,623	3,623	.....	.....	3,623
1,302	1,302	1,302	.....	.....	1,302
4,233	4,233	4,233	.....	.....	4,233
142	142	142	.....	.....	142
64	64	64	.....	.....	64
\$332	332	332	.....	.....	332
.....	8	8	8	.....	.....	8
462	462	462	.....	.....	462
1,580	1,580	1,580	.....	.....	1,580
\$ 12,344	\$340	\$ 12,684	\$ 12,684	.....	.....	\$ 12,684

Agency Funds						
\$ 2,704	.....	\$ 2,704	.....	.....	.....	\$ 2,704
4,901	.....	4,901	4,901	.....	.....	4,901
5	.....	5	5	.....	.....	5
405	.....	405	405	.....	.....	405
336,868	.....	336,868	336,868	.....	\$15,035	321,833
1,495	.....	1,495	1,495	.....	.....	1,495
314,604	.....	314,604	314,604	.....	.....	314,604
3,229	.....	3,229	3,229	.....	.....	3,229
11,643	.....	11,643	11,643	.....	.....	11,643
17,915	.....	17,915	17,915	.....	.....	17,915
1,416	.....	1,416	1,416	.....	.....	1,416
140,474	.....	140,474	140,474	\$3,920	.....	136,554
\$835,659	.....	\$835,659	\$835,659	\$3,920	\$15,035	\$816,704

EXHIBIT L
CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
RECONCILIATION OF PROPRIETARY SURPLUS WITH UNAPPROPRIATED
BALANCE OF FUNDS, JUNE 30, 1953

Proprietary surplus:

Municipal Railway of San Francisco.....	\$ 2,993,368	
Water Department.....	50,952,198	
Hetch Hetchy Water Supply and Power Project.....	46,555,327	
Airport Department.....	32,964,384	
Public Utilities Commission.....	<u>2,136,567</u>	\$135,601,844

Add:

Proprietary liabilities, reserves, etc. not recorded
in fund accounts:

Bonded indebtedness.....	\$112,437,000	
Accrued bond interest.....	<u>1,393,881</u>	
	\$113,830,881	
Less—Included in 1952-53 budget.....	<u>2,775,000</u>	111,055,881
Reserve for accident and compensation claims, etc.....		3,518,449
Sundry payables.....		1,423,741
Deferred Credits.....		<u>151,445</u>
		\$251,751,360

Deduct:

Fund reserves not recorded in proprietary accounts:

For pending appropriations.....	\$ 220,000
For unencumbered appropriations.....	9,160,150
For encumbrances (additional).....	964,285
For interdepartmental work orders, etc.....	<u>64,050</u>

Proprietary assets not recorded in fund accounts:

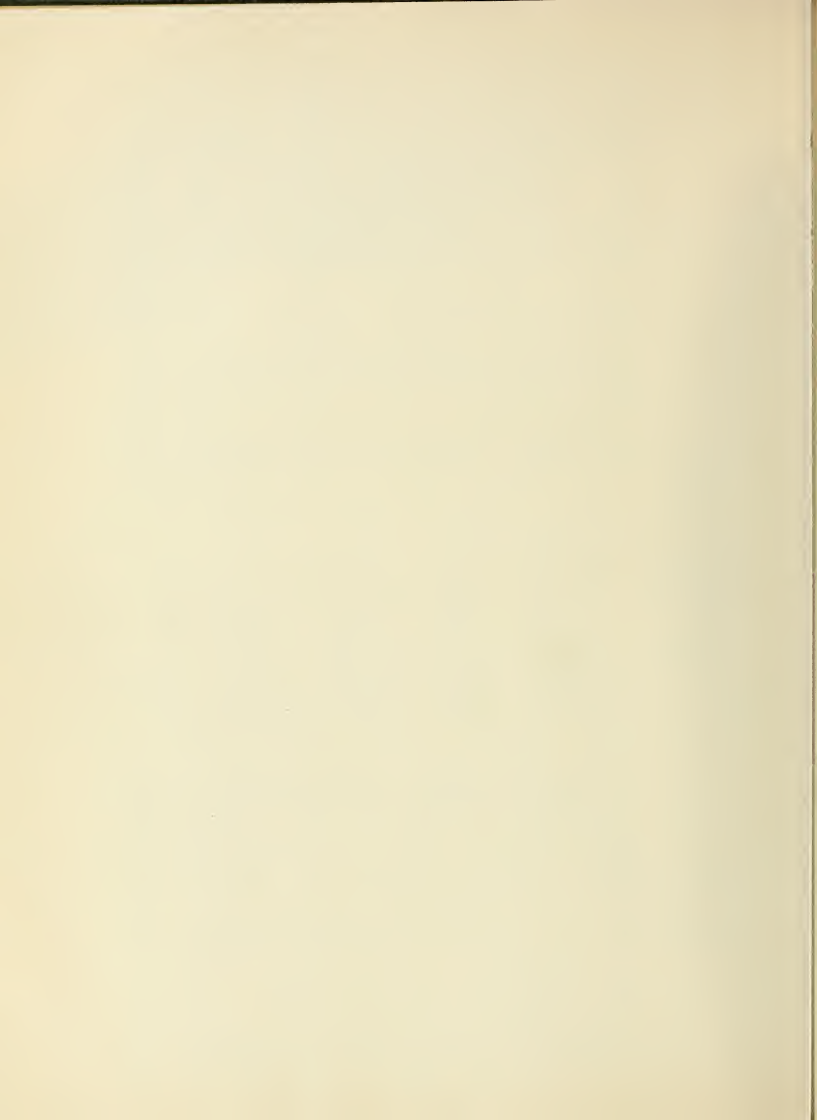
Fixed assets.....	220,522,672	
Deferred charges.....	11,031,187	
Sundry receivables.....	134,944	
Revolving funds.....	<u>52,650</u>	242,149,938

Unappropriated balance of funds, per listing of individual fund balance sheets (Exhibit M).....	<u>\$ 9,601,422</u>
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EXHIBIT M
CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
INDIVIDUAL FUND BALANCE SHEETS

JUNE 30, 1953

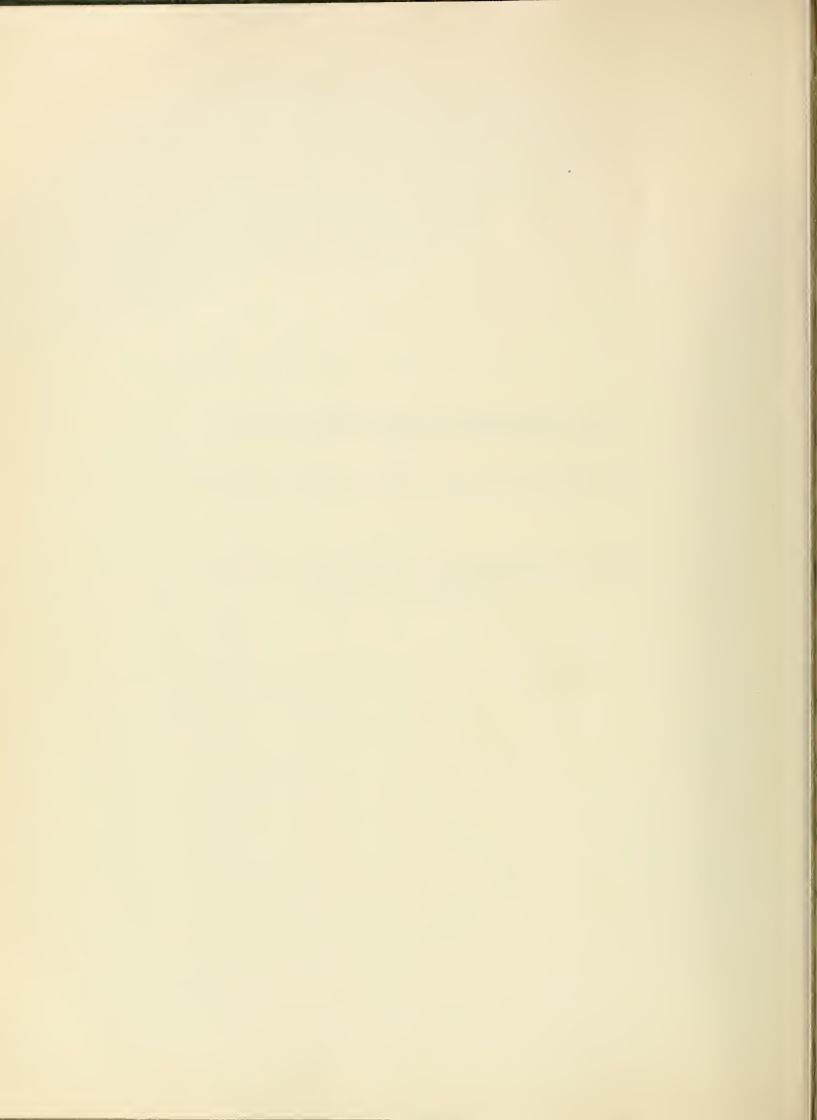
	Cash	Receivables	Other Resources	Interfund Accounts	Total	Total	Encumbrances	Reserves	Interfund Accounts	Deferred Credits	Unaudited Appropriations	Unappropriated
Hetch Hetchy:												
Operating.....	\$ 948,662	\$ 234,113		\$ 428,710	\$ 1,611,485	\$ 1,611,485	\$ 147,363	\$ 220,000	\$ 74,098		\$ 690,055	\$ 479,969
Bond Interest.....	1,100,000				1,100,000	1,100,000		1,100,000				
Bond Interest and Redemption.....	30,774				30,774	30,774						30,774
1932 Bonds.....	3,557,009				3,557,009	3,557,009			1,511,500		584,623	178,303
1947 Water Bonds.....	1,857,009	1,700,000			3,557,009	3,557,009			117,900		582,912	7,028,231
1949 Cherry Valley Dam Bonds.....	8,876,070				8,876,070	8,876,070						
	\$12,812,515	\$1,934,113		\$ 428,710	\$15,175,338	\$15,175,338	\$ 2,576,973	\$1,320,000	\$1,703,498		\$1,857,590	\$7,717,277
Water Department:												
Operating.....	\$ 4,140,777	\$ 931,937		\$1,495,085	\$ 6,567,799	\$ 6,567,799	\$ 1,380,586	\$ 52,346	\$1,236,621		\$3,740,726	\$ 157,520
Bond Interest and Redemption.....	1,675,000				1,675,000	1,675,000			4,406			
1942 Water Works Bonds.....	332,757				332,757	332,757			50			
Real Property.....	14,733				14,733	14,733	360				14,323	
	\$ 6,163,267	\$ 931,937		\$1,495,085	\$ 8,590,289	\$ 8,590,289	\$ 1,709,297	\$1,727,346	\$1,241,077		\$3,755,049	\$ 157,520
Municipal Railway:												
Operating.....	\$ 1,678,151	\$ 54,107		\$ 62,032	\$ 1,794,290	\$ 1,794,290	\$ 147,612	\$ 355	\$ 307,007		\$ 272,958	\$1,066,358
1947 Municipal Railway Rehabilitation.....	421,979				421,979	421,979	52,235		59,236		310,508	
1947 Market Street Railway Refinancing.....	4,537				4,537	4,537						4,537
	\$ 2,104,667	\$ 54,107		\$ 62,032	\$ 2,220,806	\$ 2,220,806	\$ 199,847	\$ 355	\$ 366,243		\$ 583,466	\$1,070,893
Airport:												
Operating.....	\$ 275,091	\$ 255,605		\$ 7,890	\$ 538,586	\$ 538,586	\$ 7,966	\$ 22,454	\$ 244,375		\$ 6,692	\$ 257,009
Special Aviation.....	26,201	1,803		91	28,103	28,103				\$1,803		26,300
1945 Airport Bonds.....	1,213,047			73,626	1,316,673	1,316,673	737,889		9,600		500,184	
1949 Airport Bonds.....	2,073,217			212,009	2,265,226	2,265,226	240		11,500		2,251,486	
Federal Airport Project.....	5,334,813			\$318,834	5,873,647	5,873,647	5,096,790		321,886		82,640	175,811
	\$ 8,992,377	\$ 257,108		\$318,834	\$9,568,119	\$9,568,119	\$ 5,842,885	\$ 22,454	\$ 587,361	\$1,803	\$1,911,000	\$ 6,655,700
Public Utilities Commission:												
Operating.....	\$ 1,903,592	\$ 1,900		\$ 481,740	\$ 666,292	\$ 666,292	\$ 31,254	\$ 4,960	\$ 578,065		\$ 22,958	
	\$ 9,024,110	\$3,102,505		\$318,834	\$12,445,449	\$12,445,449	\$10,360,236	\$3,075,115	\$14,762,14	\$1,803	\$1,667,196	\$ 6,611,111



San Francisco Water Department
AND
HETCH HETCHY WATER SUPPLY AND POWER PROJECT



REPORT ON EXAMINATION OF FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1953



Touche, Niven, Bailey & Smart
Certified Public Accountants
100 BUSH STREET, SAN FRANCISCO 4, CALIFORNIA

September 29, 1953

Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California.

We have examined the combining balance sheet of the Water Department and the Hetch Hetchy Water Supply and Power Project of the City and County of San Francisco as of June 30, 1953, and the related combining statements of revenues and expenses and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, except as referred to in the following paragraph.

Our engagement did not contemplate the application of normal audit procedures with respect to cash deposited with the Treasurer and with respect to bonded debt at June 30, 1953. We obtained confirmation from the Controller of the City and County of San Francisco of cash deposited with the Treasurer and of bonded debt at June 30, 1953, and applied other audit procedures in support of these accounts.

This report, the program of examination, and our working papers on this engagement have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

In our opinion, subject to the limitations on the scope of our examination of cash deposited with the Treasurer and of bonded debt, as set forth in the second preceding paragraph, the accompanying combining balance sheet and combining statements of revenues and expenses and surplus present fairly the financial position of the Water Department and the Hetch Hetchy Water Supply and Power Project of the City and County of San Francisco at June 30, 1953, and the results of their operations for the year then ended, in conformity with generally accepted principles of governmental accounting applied on a basis consistent with that of the preceding year.

TOUCHE, NIVEN, BAILEY & SMART
Certified Public Accountants

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
COMBINING BALANCE SHEET

June 30, 1953

ASSETS	Combined	Elimina- tions	Water Department	Hetch Hetchy Water Supply and Power Project
PROPERTY, PLANT AND EQUIPMENT (Note A):				
Properties in service (including \$5,958,543 water rights and other intangible properties)	\$213,256,899		\$92,296,088	\$120,960,811
Properties not in service	819,585		350,845	468,740
	214,076,484		92,646,933	121,429,551
Less accumulated depreciation	61,272,796		30,919,499	30,353,297
	152,803,688		61,727,434	91,076,254
Construction in progress	3,439,661		1,542,688	1,896,973
TOTAL PROPERTY, PLANT, AND EQUIPMENT	156,243,349		63,270,122	92,973,227
CASH:				
Cash deposited with Treasurer	19,585,755		6,137,812	13,447,943
Revolving funds	34,000		30,000	4,000
Cash in transit	3,399			3,399
TOTAL CASH	19,623,154		6,167,812	13,455,342
ACCOUNTS RECEIVABLE:				
Consumer's accounts (Note B)	1,222,261		1,004,273	217,988
Dues from bond purchaser (Note C)	1,700,000			1,700,000
Miscellaneous accounts	142,029		129,303	12,726
	3,064,290		1,133,576	1,930,714
Less allowance for doubtful accounts	120,619		120,619	
TOTAL ACCOUNTS RECEIVABLE	2,943,671		1,012,957	1,930,714
DUE FROM CITY AND COUNTY OF SAN FRANCISCO:				
Other public service departments	174,576	\$54,878	3,652	225,802
General departments and funds	182		182	
TOTAL DUE FROM CITY AND COUNTY OF SAN FRANCISCO	174,758	54,878	3,834	225,802
DEFERRED CHARGES AND OTHER ASSETS:				
Materials and supplies	575,037		529,315	45,722
Deferred maintenance and development costs	107,927		42,185	65,742
Deposits and miscellaneous accounts	53,394		51,934	1,460
TOTAL DEFERRED CHARGES AND OTHER ASSETS	736,358		623,434	112,924
	\$179,721,290	\$54,878	\$71,078,159	\$108,698,009

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
COMBINING BALANCE SHEET

June 30, 1953

<u>LIABILITIES</u>	Combined	Elimina- tions	Water Department	Hetch Hetchy Water Supply and Power Project
BONDED DEBT (Note C):				
Maturing within one year.....	\$ 5,101,000		\$ 1,557,000	\$ 3,544,000
Maturing after June 30, 1954.....	71,305,000		17,000,000	54,305,000
TOTAL BONDED DEBT.....	76,406,000		18,557,000	57,849,000
BONDS SOLD BUT NOT ISSUED (Note C).....	1,700,000			1,700,000
ACCRUED BOND INTEREST.....	1,236,964		406,857	830,107
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:				
Matured bonds and interest coupons not presented for payment.....	137,041		43,127	93,914
Warrants outstanding.....	415,990		167,351	248,639
Accounts payable.....	254,832		224,980	29,852
Income taxes and other accounts withheld from employees.....	56,942		34,067	22,875
Retained funds under contracts.....	194,125		93,253	100,872
Consumers' deposits and construction advances.....	249,473		249,473	
Rent accrued under Raker Act.....	15,000			15,000
TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES.....	1,323,403		812,251	511,152
DUE TO CITY AND COUNTY OF SAN FRANCISCO:				
Other public service departments.....	29,348	\$54,878	81,524	2,702
General departments and funds.....	1,246,572		29,468	1,217,104
TOTAL DUE TO CITY AND COUNTY OF SAN FRANCISCO.....	1,275,920	54,878	110,992	1,219,806
RESERVES:				
Workmen's compensation claims and other costs (Note D).....	188,830		168,072	20,758
Other.....	70,789		70,789	
TOTAL RESERVES.....	259,619		238,861	20,758
UNAMORTIZED BOND PREMIUM.....	11,859			11,859
SURPLUS (Investment of City and County of San Francisco).....	97,507,525		50,952,198	46,555,327
COMMITMENTS AND CONTINGENT LIABILITIES (Notes B and D):				
Commitments under contracts and purchase orders.....	\$4,010,000			
Less deferred charges for materials, supplies, and construction costs.....	4,010,000			
	<u>\$179,721,290</u>	<u>\$54,878</u>	<u>\$71,078,159</u>	<u>\$108,698,000</u>

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
COMBINING STATEMENT OF SURPLUS
Year Ended June 30, 1953

	Combined	Water Department	Hetch Hetchy Water Supply and Power Project
BALANCE AT JULY 1, 1952.....	\$90,235,121	\$47,853,294	\$42,381,827
ADDITIONS:			
Excess of revenues over expenses.....	5,075,085	3,246,418	1,828,667
Advances from federal government for Cherry Valley Reservoir project (Note A)	2,098,140	.....	2,098,140
Plant and equipment acquired without cost to the department.....	99,179	99,179	.....
TOTAL ADDITIONS	7,272,404	3,345,597	3,926,807
	97,507,525	51,198,891	46,308,634
INTERDEPARTMENTAL TRANSFERS (Charges* or Credits):			
For cost of properties placed in service with Water Department (Paid from proceeds of 1947 Hetch Hetchy Water Bonds).....	.....	159,130	159,130*
For portion of bond redemption and interest on 1947 Hetch Hetchy Water Bonds applicable to properties in service with Water Department:			
Bond redemption.....	.....	403,931*	403,931
Interest ..	.....	1,892*	1,892
TOTAL INTERDEPARTMENTAL TRANSFERS.....	.....	246,693*	246,693
BALANCE AT JUNE 30, 1953.....	\$97,507,525	\$50,952,198	\$46,555,327

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
COMBINING STATEMENT OF REVENUES AND EXPENSES
Year Ended June 30, 1953

	Combined	Eliminations	Water Department	Hetch Hetchy Water Supply and Power Project
OPERATING REVENUES:				
Sales of water and services.....	\$11,804,318	\$3,545,590	\$11,804,318	\$3,545,590
Sales of electrical energy.....	4,617,981	.....	.....	4,617,981
TOTAL OPERATING REVENUES.....	16,422,299	3,545,590	11,804,318	8,163,571
OPERATING EXPENSES:				
Production expenses.....	439,975	.....	.....	439,975
Stand-by charge and purchases of water.....	.....	3,545,590	3,545,590	.....
Purchases of electrical energy.....	776,338	.....	.....	776,338
Source of water supply.....	362,305	.....	362,305	.....
Pumping.....	360,076	.....	360,076	.....
Purification.....	142,130	.....	142,130	.....
Transmission and distribution of water.....	823,769	.....	823,769	.....
Transmission and distribution of power.....	1,282,305	.....	.....	1,282,305
Commercial expenses.....	561,878	.....	561,878	.....
Administrative and general expenses.....	1,450,789	.....	1,049,086	401,703
Provision for doubtful accounts.....	65,696	.....	65,696	.....
Depreciation.....	6,265,261	3,545,590	6,910,530	2,900,321
TOTAL OPERATING EXPENSES.....	2,681,084	.....	970,779	1,710,305
	8,946,345	3,545,590	7,881,309	4,610,626
	7,475,954	.....	3,923,009	3,552,945
OTHER REVENUES:				
Rentals received, including sales of crops.....	356,723	.....	331,315	25,408
Interest earned.....	16,852	.....	16,852	.....
Miscellaneous.....	73,770	.....	33,863	39,907
TOTAL OTHER REVENUES.....	447,345	.....	382,030	65,315
	7,923,299	.....	4,305,039	3,618,260
OTHER EXPENSES:				
Interest on bonded debt.....	2,773,322	.....	986,981	1,786,341
Agricultural division and crop expense.....	65,299	.....	65,299	.....
Miscellaneous.....	9,593	.....	7,249	2,344
TOTAL OTHER EXPENSES.....	2,848,214	.....	1,058,529	1,788,685
EXCESS OF REVENUES OVER EXPENSES.....	\$ 5,075,085	.....	\$ 3,246,418	\$1,829,645

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 1953

NOTE A — Property, Plant, and Equipment.

Section 128 of the Charter of the City and County of San Francisco provides that the Public Utilities Commission is to make an appraisal of the properties and a redetermination of annual depreciation every five years. The initial appraisal made in accordance with this Charter provision applied to the fiscal year ended June 30, 1938, and subsequent appraisals and redeterminations of depreciation have been made for fiscal years ended in 1943 and 1948. Findings of the Commission, or representatives of the utilities audit staff of the Controller's office designated by the Commission to perform these appraisals and redeterminations, are recorded in the property and accumulated depreciation accounts as of June 30, 1953. Additions to property accounts subsequent to June 30, 1948, have been recorded at cost, and annual depreciation since that date has been adjusted to give effect to redetermined depreciation rates. The carrying amount of the properties and the accumulated depreciation at June 30, 1953, are subject to further review and adjustment by the Public Utilities Commission in 1953, and every five years thereafter so long as Section 128 of the Charter is effective.

Total additions to combined properties in service during the year ended June 30, 1953, amounted to \$9,388,178. A summary of the major additions follows:

Water Department:	
Sutro Reservoir and supply main.....	\$1,535,981
Installation of water mains and cross connections	1,163,493
Land and rights of way.....	319,347
Other.....	490,571
Total Water Department.....	\$3,529,392
Hetchy Hetchy Water Supply and Power Project:	
San Joaquin Pipeline No. 2, Section A.....	\$4,009,185
Completed projects at Cherry Valley Reservoir.....	1,325,257
Access roads	348,596
Other.....	175,748
Total Hetch Hetchy Water Supply and Power Project.....	\$5,858,786
Total additions.....	\$9,388,178

A summary of the properties in service and properties not in service, and related accumulated depreciation at June 30, 1953, follows:

Properties in service:

Water Department:	Properties	Accumulated Depreciation
Water rights and other intangible properties	\$ 3,222,913	
Land and rights of way.....	14,098,290	
Buildings, structures, and grounds.....	1,250,500	\$ 742,825
Source of water supply.....	30,420,471	7,619,943
Pumping station equipment.....	820,648	479,994
Purification system.....	237,725	84,855
Transmission and distribution system.....	40,705,917	21,179,299
General equipment	269,165	156,865
Automotive equipment	384,643	236,634
Undistributed interest during construction.....	885,816	279,326
Total Water Department	\$ 92,296,088	\$30,779,741

Hetch Hetchy Water Supply and Power Project:

Water supply properties:

Water rights and other intangible properties.....	\$ 8,785,600	
Land and rights of way.....	2,651,150	\$ 95,111
Buildings, structures, and grounds.....	172,125	100,000
Source of water supply.....	101,606,122	22,795,846
Purification system.....	37,334	29,366
General equipment.....	361,102	206,211
Total water supply properties.....	\$107,865,274	\$23,243,134

Power properties:

Land and rights of way.....	\$ 143,545	
Buildings, structures, and grounds.....	1,865,044	\$ 596,000
Hydraulic production plant.....	8,222,565	1,046,532
Transmission system.....	2,661,538	2,000,078
General equipment.....	201,136	65,390
Total power properties.....	\$ 13,094,838	\$ 7,708,000
Total Hetch Hetchy Water Supply and Power Project.....	\$120,960,111	\$30,951,134
Total properties in service.....	\$213,256,899	\$61,402,898

Properties not in service:

Water Department.....	\$ 350,815	\$ 189,791
Hetch Hetchy Water Supply and Power Project.....	468,740	30,170
Total properties not in service.....	819,555	189,926
	\$214,076,454	\$61,592,824

A summary of construction in progress at June 30, 1953, follows:

Water Department:

Lake Merced pump station.....	\$1,039,263
Guadalupe by-pass.....	133,200
Summit Reservoir.....	63,897
Sunset Supply Line.....	37,762
Mt. Davidson pump station.....	96,627
Fluoride treatment plants.....	26,808
Other.....	183,208
Total Water Department.....	\$1,542,665

Hetch Hetchy Water Supply and Power Project:

Cherry Valley Reservoir.....	\$1,080,140
Relining San Joaquin Pipeline No. 1.....	60,000
Sunset Supply Line.....	161,211
Alameda Creek siphon.....	100,000
Reconstruction of Moccasin penstock anchors.....	15,000
Other.....	107,280
Total Hetch Hetchy Water Supply and Power Project.....	\$1,523,631
Total construction in progress.....	\$1,539,296

Major construction projects in progress at June 30, 1953, have estimated total costs of \$23,000,000. Costs to complete these projects, exclusive of amounts representing portions placed in service and construction in progress, are estimated at \$18,000,000 at that date.

The costs of construction of the Cherry Valley Reservoir and appurtenant facilities are estimated at \$14,400,000. A portion of the funds necessary for construction is provided by the federal government under provisions of a contract, dated August 29, 1949, between the federal government and the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District, relating to facilities for additional protection against floods of the Tuolumne River. A further portion of the funds necessary for construction is provided by the City and County of San Francisco under an authorized bond issue of \$4,000,000.

The funds from the federal government for the flood protection program under the contract dated August 29, 1949, are estimated in the contract at \$12,000,000. By supplemental agreement between the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District, \$9,000,000 of the funds to be received from the federal government are to be expended toward the construction of Cherry Valley Reservoir and appurtenances, and the remainder of such funds in the amount of \$3,000,000 are to be expended toward the construction of a new dam and reservoir at Don Pedro. At June 30, 1953, the federal government had paid \$6,903,140 pursuant to the contract. The payments received have been included in surplus of the Hetch Hetchy Water Supply and Power Project in the fiscal years received, upon advice of the City Attorney. The conditions of the contract with the federal government are subject, on the part of the government, to the authorization and the appropriation by Congress of funds for the accomplishment of the objectives of the contract. As of July 29, 1953, the amount authorized by Congress was \$10,500,000 of which \$7,469,900 was appropriated.

The supplemental agreement between the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District provides generally that title to the Cherry Valley Reservoir will vest in the City and County of San Francisco. This agreement further provides that the City and County of San Francisco will participate in the construction of a new Don Pedro Dam and Reservoir, title to which will vest in the irrigation districts. Participation in the construction of the new dam and reservoir at Don Pedro is subject, on the part of the City and County of San Francisco, to the fiscal provisions of its Charter and prior approval by the electors.

NOTE B — Accounts Receivable.

Revenues for water and power services furnished to consumers are taken into income when they are billed. In general, major industrial consumers of water and consumers of electric energy are billed each month, and residential and small industrial consumers of water are billed bi-monthly.

At June 30, 1953, the Water Department had billed certain of its consumers additional amounts aggregating \$165,408 for water furnished in the period generally from November, 1950, to June, 1953, following a legal opinion of the City Attorney that contracts with these consumers, providing for delivery of water at discounts or free of charge, were illegal and unenforceable. Losses which may be incurred in the collection of these billings have been provided for in the accompanying financial statements. Certain of the consumers affected by these billings have filed claims against the City and County of San Francisco for damages, and a test case has been filed contesting the legality of the action taken by the City in cancelling such contracts. No provision has been made in the accompanying financial statements for damages, if any, resulting from these claims and the suit filed, which are being defended by the City Attorney.

NOTE C — Bonded Debt.

Unmatured bonded debt of the City and County of San Francisco applicable to the Water Department and the Hetch Hetchy Water Supply and Power Project aggregates \$76,406,000 at June 30, 1953. The bonds have been issued upon the general faith and credit of the City and County of San Francisco in accordance with resolutions adopted by the Board of Supervisors following authorization by the electors. A summary of unmatured bonded debt at June 30, 1953, follows:

Water Department:

Spring Valley — 1928, 4½%	\$1,100,000
Water Distribution — 1933, 4%	167,000
Total Water Department	\$1,267,000

Hetch Hetchy Water Supply and Power Project:

Water — 1910, 4½%	\$12,000,000
Hetch Hetchy Water — 1925, 5%	4,000,000
Hetch Hetchy — 1928, 4½%	15,500,000
Hetch Hetchy — 1932, 2¾% to 5¾%	3,300,000
Hetch Hetchy Dam — 1933, 4%	175,000
1947 Hetch Hetchy Water, Series A — 1948, 1¾% to 2½%	5,825,000
1947 Hetch Hetchy Water, Series B — 1948, 1½%	400,000
1947 Hetch Hetchy Water, Series C — 1949, 1¼%	1,150,000
1947 Hetch Hetchy Water, Series D — 1949, 1% to 6%	7,800,000
1947 Hetch Hetchy Water, Series E — 1950, 1¼% and 1½%	5,000,000
1949 Cherry Valley Dam, Series A — 1952, 1¼% and 1½%	950,000
1949 Cherry Valley Dam, Series B — 1952, 1½% and 1¾%	5,000,000
Total Hetch Hetchy Water Supply and Power Project	\$76,449,000
Total unmatured bonded debt	\$76,406,000

In general, the bonds mature serially at varying annual amounts through the fiscal year ended June 30, 1978. A summary of maturities for the succeeding five years follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Amount</u>
1954	\$5,101,000
1955	5,102,000
1956	5,102,000
1957	4,858,000
1958	4,857,000

An additional \$1,700,000 of bonds were authorized and unissued at June 30, 1953, under the 1947 Hetch Hetchy Water issue. On June 29, 1953, a bid was accepted by resolution of the Board of Supervisors for the sale of these bonds, which were issued in August, 1953.

NOTE D—Contingent Liabilities.

Contingent liabilities as of June 30, 1953, are as follows:

As self-insurer generally against casualty losses of property; against public liability, property damage, and workmen's compensation claims; and against water contamination damage losses. The ultimate losses under these self-insured risks are indeterminable. Reserves aggregating \$128,570 at June 30, 1953, have been established to provide generally for workmen's compensation, public liability, and property damage claims and, in addition, to provide for vacations and sick leave of certain employees, the total liability for which is indeterminable.

Under retirement plan arrangements, authorized by the electors, payments of approximately \$282,000 were made in the year ended June 30, 1953, to the Employees' Retirement System to cover a portion of the cost of the plan for present services for that year. The remainder of the cost of the plan, including prior service pension costs, is paid jointly by the participating employees and the City and County of San Francisco. The portion of the total cost applicable to the Water Department and the Hetch Hetchy Water Supply and Power Project is determined by consulting actuarial and is expressed as a percentage of the salaries and wages of participating employees.

NOTE E — General.

The accompanying financial statements include only those assets and liabilities of the City and County of San Francisco designated and recorded as employed in the operations of the Water Department and the Hetch Hetchy Water Supply and Power Project.

Under provisions of Section 122 of the Charter, the Hetch Hetchy Water Supply and Power Project is to be merged, upon its completion with the Water Department. In the opinion of the City Attorney, this project had not been completed at June 30, 1953.

During the year ended June 30, 1953, water furnished to certain municipal departments without charge amounted to approximately \$700,000, computed by the Water Department at regular billing rates. This amount has been computed in token of compliance with Section 64 of the Charter which provides generally for an estimate of the amount of property and other taxes for which utilities would be liable if privately owned.

Municipal Railway of San Francisco



REPORT ON EXAMINATION
FOR THE YEAR ENDED
JUNE 30, 1953

L. H. Penney & Co.

Certified Public Accountants

San Francisco, California

September 28, 1953

Honorable H. D. Ross,
Controller, City and
County of San Francisco,
San Francisco, California.

Dear Sir:

We have examined the financial statements of the Municipal Railway of San Francisco listed below:

EXHIBIT A — Balance Sheet, June 30, 1953

Schedule A-1 — Summary of Road and Equipment for the Year Ended June 30, 1953

Schedule A-2 — Summary of Road and Equipment Depreciation for the Year Ended June 30, 1953

Schedule A-3 — Unmatured Bonded Debt, June 30, 1953

EXHIBIT B — Statement of Income for the Years Ended June 30, 1953 and 1952, and Comparison

EXHIBIT C — Statement of Surplus for the Year Ended June 30, 1953

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our report and working papers have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

In our opinion, the accompanying financial statements present fairly the financial position of the Municipal Railway of San Francisco at June 30, 1953, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the previous year.

Very truly yours,

L. H. PENNEY & CO.

OPERATIONS

The following comments are submitted for the purpose of further amplification and explanation of the financial statements and to set forth the apparent causes of certain operating results. Much of the statistical data contained in these comments has been obtained from records maintained by the Railway without verification by us.

The operations of the Railway for the year ended June 30, 1953 resulted in a profit of \$497,968.93 as compared with a loss of \$3,117,327.58 for the preceding year. A condensed summary and comparison of the results of operations for the years ended June 30, 1953 and 1952, is as follows:

	YEAR ENDED JUNE 30,		Increase (Decrease)
	1953	1952	
Operating income:			
Passenger revenue.....	\$23,328,179	\$18,083,097	\$5,245,082
Advertising, rents, etc.....	163,802	159,256	4,546
Total operating income.....	23,491,981	18,242,353	5,249,628
Operating expenses.....	22,850,967	21,038,451	1,812,516
Profit from operations.....	641,014 (	2,796,098)	3,437,112
Other income.....	154,072	24,243	129,829
Remainder.....	795,086 (	2,771,855)	3,566,941
Other expense.....	297,117	345,473 (	48,356)
Profit for the year.....	\$ 497,969	(\$ 3,117,328)	\$3,615,297

The increase in passenger revenue was primarily attributable to the increase in the basic cash fare from ten cents to fifteen cents, which increase became effective June 1, 1952. Statistical records compiled by the Railway indicate that cash fares at the fifteen cent rate were collected from 160,771,196 passengers during the year ended June 30, 1953 yielding approximately \$7,776,050 more revenue than would have been received from the previous ten cent fare. The foregoing increase in revenue was partially offset by a decrease of approximately \$2,592,840 in revenues because of a reduction, below the previous year, of 9.7% in the number of revenue passengers carried.

The following summary, taken from statistical records of the Railway, show the mileage traversed during the past two years by the various types of equipment.

Type of Equipment	—YEAR ENDED JUNE 30,—				Increase (Decrease) Mileage
	1953		1952		
	Mileage	Per Cent of Total	Mileage	Per Cent of Total	
Motor coaches.....	14,981,737	49.03	15,663,059	55.14	681,322
Trolley coaches.....	10,590,388	34.66	9,117,636	31.11	1,472,752
Electric street cars.....	4,147,560	13.58	3,937,841	13.43	209,719
Cable cars.....	834,209	2.73	592,066	2.02	242,143
Totals.....	30,553,894	100.00	29,310,602	100.00	1,243,292

The hours the various types of equipment were operated, as compiled by the Railway, are shown by the following summary.

Type of Equipment	—YEAR ENDED JUNE 30,—					Increase (Decrease) Hours
	1953		1952			
	Hours	Per Cent of Total	Hours	Per Cent of Total		
Motor coaches	1,592,132	45.45	1,665,372	49.49	(73,240)	
Trolley coaches	1,304,922	37.25	1,145,876	34.05	159,046	
Electric street cars	459,209	13.11	444,543	13.21	14,666	
Cable cars	146,559	4.19	109,125	3.25	37,434	
Totals	3,502,822	100.00	3,364,916	100.00	137,906	

The conversion of several motor coach lines to trolley coach operation accounted in part for the decrease in motor coach mileage and hours operated. A substantial portion of the increase in the cable car mileage and hours operated resulted from a full year's operation of the properties acquired from California Street Cable Railway Company on January 7, 1952.

The overall increase in both miles traversed and hours operated is due primarily to the "Eight in Ten" court order which required the Railway to furnish eight hours work with pay to each operator taking out equipment. This required a change in the method of making runs and involved operation of trips during the day which were not considered necessary or profitable in the past.

Operating income and expenses are expressed in cents per mile traversed as follows:

	—CENTS PER MILE—		
	Year Ended June 30, 1953	June 30, 1952	Increase (Decrease)
Operating income:			
Passenger revenue	76.351	61.695	14.656
Advertising, rents, etc.	.536	.543	(.007)
Total operating income	76.887	62.238	14.649
Operating expenses:			
Maintenance and repairs—			
Ways and structures	2.217	2.349	(.132)
Equipment	7.182	7.320	(.138)
Total maintenance and repairs	9.399	9.669	(.270)
Power	7.287	7.116	.171
Conducting transportation	36.963	33.951	3.012
General and miscellaneous	8.700	8.421	.279
Taxes	.566	.550	.016
	62.915	59.707	3.208
Provision for accident claims	5.726	6.018	(.292)
Provision for depreciation	6.148	6.053	.095
Total operating expense	74.789	71.778	3.011
Profit from operations	2.098	M-9.540	11.638

Operating income and expenses expressed in dollars per hour of operation as follows:

	DOLLARS PER HOUR		
	Year Ended June 30, 1953	June 30, 1952	Increase (Decrease)
Operating income:			
Passenger revenue.....	6.659	5.374	1.285
Advertising, rents, etc.....	.047	.047	—
Total operating income.....	6.706	5.421	1.285
Operating expenses:			
Maintenance and repairs—			
Ways and structures.....	.193	.204	(.011)
Equipment.....	.627	.638	(.011)
Total maintenance and repairs.....	.820	.842	(.022)
Power.....	.636	.620	.016
Conducting transportation.....	3.224	2.957	.267
General and miscellaneous.....	.759	.733	.026
Taxes.....	.049	.048	.001
	5.488	5.200	.288
Provision for accident claims.....	.499	.524	(.025)
Provision for depreciation.....	.536	.528	.008
Total operating expense.....	6.523	6.252	.271
Profit from operations.....	.183	.831	(.648)

The increase in operating expense for the year ended June 30, 1953 as compared with that of the previous year for each of the major expense classifications, segregated between pay roll and other costs, is as follows (cents omitted):

	Increase (Decrease) In Operating Expense		
	Total	Pay Roll	Other
Maintenance and repairs:			
Ways and structures.....	(\$ 11,028)	\$ 91,560	(\$102,588)
Equipment.....	48,648	28,865	19,783
	37,620	119,925	(82,305)
Power.....	140,990	25,808	115,181
Conducting transportation.....	1,342,441	1,373,016	(30,575)
General and miscellaneous.....	189,724	37,326	152,398
Taxes.....	11,715	—	11,715
	1,722,490	1,554,473	168,017
Provision for accident claims.....	(14,213)	—	14,213
Provision for depreciation.....	104,239	—	104,239
Increase in operating expense.....	\$1,812,516	\$1,554,473	\$258,043

The increase in pay roll costs was caused primarily by increases in rates of pay effective as of July 1, 1952. The rate of pay for platform men, whose wages are the major portion of the Railway's pay roll cost, were increased slightly more than 12% on July 1, 1952. The comparative rates for some of the principal pay roll classifications for the year under review and for the preceding year are as follows.

Classification	Per	Rates Effective	
		July 1, 1952	July 1, 1951
Platform men.....	Hour	\$ 1.835	\$1.636
Trackmen.....	Day	14.80	13.60
Shop mechanics.....	Day	15.98	14.96
Senior shop mechanics.....	Day	18.80	17.60
Automotive mechanics.....	Week	94.50	89.00
Automotive machinists.....	Week	99.50	94.00
Car cleaners and janitors.....	Month	230-280	220-270
Inspectors.....	Month	320-370	300-350
General clerks.....	Month	240-300	225-285

The increase in power expenses, other than pay roll costs, was due principally to replacement of cables in lines acquired from California Street Cable Railway Company on January 7, 1952, together with increased use of electric street cars.

BALANCE SHEET

The financial position of the Railway at June 30, 1953 is summarized and compared with the financial position at June 30, 1952, as follows.

	June 30,		(Increase) Decrease
	1953	1952	
Assets:			
Fixed capital (net book value).....	\$20,729,386.10	\$22,219,813.26	\$1,490,427.16
Cash.....	3,174,730.61	3,196,515.72	21,785.11
Accounts receivable.....	69,363.95	213,239.69	143,875.74
Deferred charges—			
Materials and supplies.....	782,535.44	795,431.91	12,896.47
Other items.....	70,717.48	46,917.03	(23,800.45)
Commitments.....	185,625.75	340,505.47	154,879.72
Total.....	\$25,012,359.33	\$26,812,423.08	\$1,800,063.75
Liabilities and Surplus:			
Bonded debt.....	\$17,044,200.00	\$18,570,000.00	\$1,525,800.00
Bond interest payable.....	112,593.75	124,292.50	11,698.75
Accounts payable, commitments, etc.....	1,593,015.86	2,015,494.87	422,479.01
Reserves.....	3,255,897.30	3,511,206.00	255,308.70
Deferred credits.....	13,284.09	15,757.70	2,473.61
Contributed surplus.....	8,340,917.62	8,349,767.62	8,850.00
Deficit from operations.....	(5,347,549.29)	(5,774,095.61)	(426,546.32)
Total.....	\$25,012,359.33	\$26,812,423.08	\$1,800,063.75

The decrease in cash at June 30, 1953, as compared with June 30, 1952, is illustrated by the following summary of funds provided and funds applied.

Funds applied:

Additions to fixed assets.....	\$ 452,075.29	
Redemption of bonded indebtedness.....	1,525,800.00	
Increase in deferred charges.....	23,800.14	
Decrease in accounts payable.....	267,599.29	
Decrease in bond interest payable.....	11,698.75	
Decrease in deferred credits.....	2,473.61	
Decrease in reserve for token liability.....	227.17	
Payment to emergency reserve fund.....	9,000.00	\$2,292,672.00

Less funds provided:

Net profit for year ended June 30, 1953.....	\$ 497,968.93	
Add charges to expense accounts not involving disbursements of cash—		
Provision for depreciation.....	\$1,878,593.34	
Addition to reserve for employees' compensation claims	5,000.00	1,883,593.34
		\$2,381,562.27

Deduct—

Decreases in reserves:

Materials and supplies obsolescence.....	\$ 35,000.00
Accident claims.....	260,081.53
Uncollectible accounts receivable.....	93.33
	\$ 295,174.86

Adjustment for prior year's operations.....	71,422.61	366,597.47
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Increase in funds due to operations.....	\$2,014,964.80	
Decrease in accounts receivable.....	143,969.07	
Decrease in material and supplies.....	47,896.47	
Net book value of fixed capital retired.....	63,907.05	
Donated equipment.....	150.00	2,270,827.39
Decrease in cash at June 30, 1953.....		\$ 21,783.11

ROAD AND EQUIPMENT—\$4,404,449.19

ESTIMATED DEPRECIATION TO DATE—\$23,753,233.24

The recorded value of the Railway's investment in fixed capital other than construction work in progress, at June 30, 1953, is set forth in the accompanying Schedule A-1, and the related depreciation at the same date in Schedule A-2.

A substantial portion of the fixed capital is recorded in the accounts at appraisal valuations as of various dates as determined by the Public Utilities Commission of the City and County of San Francisco. The amounts shown in the accompanying Schedule A-1 under the caption "Market Street Extension" are appraisal valuations as of September 29, 1944. Properties acquired from California Street Cable Railway Company were purchased with general funds of the City and County of San Francisco for the amount of \$150,000.00 and contributed to the Railway.

Properties acquired prior to June 30, 1938 are recorded at appraisal valuations as of that date. Additions to property subsequent to June 30, 1938, with the exception of those mentioned above, are recorded substantially at cost. Retirements have been entered at recorded valuations when obtainable, otherwise at estimated valuations prepared by engineers.

The fixed capital accounts include a substantial amount for properties not presently in operation, including approximately thirty-eight miles of track, representing approximately one-third of the total track owned. It appears desirable that an engineering survey be made to determine and segregate the net book value of all nonoperated property.

It is the practice of the Railway to make its first provision for depreciation of an addition to fixed capital in the year following that in which the asset is put into service and to charge income with a full year's provision in the year of retirement.

Additions to road and equipment during the year ended June 30, 1953 are as follows.

Ways and structures:

Reconstruction of tracks—

Geneva carhouse	\$ 75,172.26	
Powell Street cable line.....	196,567.34	
Other locations.....	15,033.51	\$286,773.11

Construction and repairs to offices and buildings—

Remodeling Geary Street offices.....	\$ 94,090.70	
Other.....	20,151.80	114,242.50

Additional construction costs incurred in connection with trolley coach overheads installed in previous

year.....		47,243.20
Other.....		26,211.00
Total Ways and Structures.....		<u>\$474,469.81</u>

Equipment:

Spare equipment for unit assembly.....	\$ 24,046.72
Furniture and office equipment.....	11,988.59
Other.....	22,200.24
Total Equipment.....	<u>\$ 58,235.55</u>

Power:

Construction of outer Mission substation.....	\$ 92,122.32
Total.....	<u>\$624,827.68</u>

Recorded retirements are as follows:

Ways and structures:

Tracks, etc.:

	Roll and Equipment	Depreciation to Date of Retirement
Folsom Street from Third Street to Precita Avenue, Precita Avenue from Folsom Street to Army Street, Army Street from Bryant Street to Potrero Avenue and Twenty-Sixth Street, Mission Street to Bryant Street	\$ 525,160.69	\$ 521,133.33
Valencia Street from McCoppin Street to Mission Street and Fourteenth Street from Mission Street to Valencia Street	289,050.03	288,219.68
Van Ness Avenue at Geary Street and Market Street at Eleventh Street	243,749.50	238,679.75
Turk Street from Market Street to Divisadero Street, Eddy Street from Market Street to Divisadero Street and Mason Street from Turk Street to Eddy Street.....	231,589.40	230,809.83
Clement Street	198,219.00	197,399.05
Third Street from Market Street to Channel Street	181,401.57	180,817.68
Cortland Avenue from Mission Street to Folsom Street	144,595.47	144,017.66
Powell Street Cable line	108,576.00	108,553.60
Potrero Avenue from Sixteenth Street and Army Street and Army Street from Third Street to Kansas Street	213,807.63	210,877.47
Broadway from Powell Street to Davis Street.....	110,830.00	109,748.20
Vallejo Street from Van Ness Avenue to Larkin Street, Larkin Street from Vallejo Street to Union Street, Union Street to Columbus Avenue and Powell Street from Broadway to Embarcadero	185,491.29	184,159.89
Other, including sundry buildings, tracks, etc.	169,304.78	165,223.58
Total ways and structures.....	\$2,601,775.36	\$2,551,674.28

Equipment:

Seven motor coaches.....	\$ 86,090.28	\$ 85,229.37
Other.....	19,976.95	7,931.89
Total equipment.....	\$ 106,067.23	\$ 92,261.26
Total.....	\$2,707,842.59	\$2,643,935.54

Comments on other items on the balance sheet follow.

CASH—\$3,174,730.61

Cash at June 30, 1953 consisted of the following.

On deposit with the Treasurer of the City and County of San Francisco:

1947 Municipal Railway Rehabilitation bond fund	\$ 431,947.25
Operating Fund.....	2,720,371.06
Bond interest funds.....	1,675.00
Bond redemption fund.....	1,200.00
Bond fund—Market Street Refinancing Issue of 1947	4,537.30
Total on deposit with Treasurer.....	\$3,159,730.61
Revolving funds.....	15,000.00
Total cash.....	\$3,174,730.61

The Controller's audit staff examined the accounts of the Treasurer as of June 30, 1953. Our verification of cash on deposit was, therefore, limited to a review of the working papers prepared by the Controller's audit staff.

Revolving fund bank accounts were reconciled by us with amounts certified to us directly by the depositories, and cash on hand was counted or confirmations were obtained from custodians for amounts shown to be in their possession.

ACCOUNTS RECEIVABLE—\$53,295.19

Accounts receivable at June 30, 1953 were summarized as follows.

Post Office Department.....	\$18,750.00
Advertising Revenue.....	14,582.49
California State Harbor Commission.....	7,826.40
Charter services.....	8,496.59
Pole rentals.....	2,970.75
Other.....	668.96
Total.....	<u>\$53,295.19</u>

Requests for confirmation were mailed to various debtors with respect to balances included in the above summary; replies received were satisfactory. It appears that the amount of \$355.03 deducted for estimated uncollectibles is adequate to cover possible losses in collection of the accounts.

MATERIALS AND SUPPLIES—\$782,535.44

The amount shown under this caption is the aggregate book value of the inventories of materials and supplies, including \$26,034.44 for the value of metal tokens, as of June 30, 1953. This amount was determined by a tabulation of perpetual inventory records as of May 25, 1953, adjusted for subsequent receipts and issues as to June 30, 1953. It is understood that physical counts were made by employees at various times during the year and that the perpetual inventory records were adjusted to such counts.

Metal tokens have not been used in public circulation since April, 1949, and in the absence of any future use, it appears that these have only a scrap metal value. It is not conclusively established, however, that the tokens have no future usefulness.

We have made tests of the quantities in the inventory by physical counts, and have tested the pricing and computations. Our tests indicated that the inventories are priced at average cost or, as to certain items reduced from cost in prior years, at estimated scrap value.

The inventory of materials, other than metal tokens, was reviewed with the employees responsible for its preparation to determine the estimated obsolescence included therein. We were informed that during the year the Railway had disposed of substantially all materials considered to be obsolete.

RESERVE FOR ACCIDENT CLAIMS—\$3,039,918.47

A summary of the changes in this reserve during the year ended June 30, 1953, is as follows:

Balance, July 1, 1952.....	\$1,500,000.00
Provisions for accidents.....	1,539,918.47
Total.....	\$3,039,918.47

Less:

Claims paid and miscellaneous expenses, net of recoveries from insurance carriers.....	\$1,549,250.06
Services of City Attorney's office.....	104,870.00
Claims department pay roll.....	131,123.60
Cost of excess liability insurance coverage.....	224,451.27
	<u>2,009,694.93</u>
Balance, June 30, 1953.....	\$3,039,918.47

RESERVE FOR EMPLOYERS' COMPENSATION CLAIMS—\$210,000.00

The amount of this reserve has been established on the basis of information as to the amount of compensation claims of employees outstanding at June 30, 1953 as furnished by the City and County of San Francisco Employee Retirement System.

DEFERRED CREDITS—\$13,284.09

Deferred credits at June 30, 1953 consists of unamortized bond premium, \$11,300.86, and of miscellaneous minor items, aggregating \$1,983.23, final disposition of which is being deferred to subsequent periods.

EXHIBIT A
MUNICIPAL RAILWAY OF SAN FRANCISCO
BALANCE SHEET, JUNE 30, 1953

ASSETS

FIXED CAPITAL:	
Road and equipment (Schedule A-1).....	\$44,404,449.19
Less estimated depreciation to date (Schedule A-2).....	23,753,233.24
Road and equipment, net book value.....	\$20,651,215.95
Construction work in progress.....	78,170.15

CASH:

On deposit with treasurer.....	\$ 3,159,730.61
Revolving funds.....	15,000.00

ACCOUNTS RECEIVABLE

Less estimated uncollectibles.....	\$ 53,295.19
	355.03

INTERFUND ACCOUNTS RECEIVABLE:

Due from General City and County.....	\$ 13,919.43
Due from other public service enterprises.....	2,504.36

DEFERRED CHARGES:

Material and supplies.....	\$ 782,535.44
Prepaid insurance premiums and other deferred charges.....	70,717.48
Uncompleted contracts, purchase orders, interdepartmental work orders, and other commitments (see contra):	
To outsiders.....	\$102,796.56
To other city departments.....	82,829.19

TOTAL

\$25,012,359.53

LIABILITIES

BONDED DEBT:	
Unmatured bonds (Schedule A-3).....	\$ 1,575,000.00
Maturing within one year.....	15,468,000.00
Maturing subsequent to June 30, 1954.....	\$17,043,000.00
Total unmatured bonds.....	1,200.00
Matured bonds not presented for payment.....	\$17,044,200.00

BOND INTEREST PAYABLE:

Accrued but not due.....	\$ 110,918.75
Matured coupons not presented for payment.....	1,675.00
ACCOUNTS PAYABLE, COMMITMENTS, ETC.:	
Outstanding warrants and pay roll deductions.....	\$ 1,052,188.52
General Creditors.....	97,410.11
Federal old age benefits accrued tax.....	24,806.83
Total accounts payable and accrued.....	\$ 1,174,405.46

Uncompleted contracts, purchase orders, and other commitments, (see contra).....

102,796.56

INTERFUND ACCOUNTS PAYABLE

AND COMMITMENTS:

Due to General City and County.....	\$ 172,485.87
Due to other public service enterprises.....	60,498.78
Total interfund accounts payable.....	\$ 232,984.65
Uncompleted work orders to other city departments (see contra).....	82,829.19

RESERVES:

Accident claims.....	\$ 3,039,918.47
Employees' compensation claims.....	210,000.00
Outstanding tokens.....	5,978.83

DEFERRED CREDITS

SURPLUS (Exhibit C):

Contributed surplus.....	\$ 8,340,917.62
Less deficit from operations.....	5,347,549.29

TOTAL

\$25,012,359.53

NOTES: 1. See notes on Schedule A-1 and A-2 regarding carrying value of road and equipment and regarding Railway's depreciation policy.
2. Under the annual appropriation ordinance, as amended, for the fiscal year 1953-54, \$1,065,000.00 of surplus has been appropriated for operations.

SCHEDULE A-1

MUNICIPAL RAILWAY OF SAN FRANCISCO
SUMMARY OF ROAD AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 1953

—BALANCES, JUNE 30, 1952—

	Municipal Railway	Market Street Extension	Combined	Additions	Retirements	Municipal Railway	Market Street Extension	Combined
WAY AND STRUCTURES:								
Right of way.....	\$ 152,732.33	\$ 61,610.00	\$ 214,342.33	.....	\$ 8,000.00	\$ 152,732.33	\$ 53,610.00	\$ 206,342.33
Other land.....	687,526.10	484,443.00	1,171,969.10	.....	9,500.00	687,526.10	474,913.60	1,162,439.70
Grading.....	437,114.56	267,286.68	704,401.24	9,045.29	333,660.25	437,114.56	259,503.19	696,617.75
Ballast.....	255,181.60	175,346.02	430,527.62	8,103.20	339,739.66	255,181.60	229,503.19	484,684.79
Rails, rail fastenings, and joints.....	1,266,539.45	677,273.40	1,943,812.85	5,061.46	100,922.56	1,266,539.45	89,486.35	1,355,025.80
Special track work.....	3,552,728.00	360,247.43	3,912,975.43	39,555.99	456,812.47	3,552,728.00	207,133.91	3,759,861.91
Underground construction.....	1,762,926.60	432,194.36	2,195,120.96	42,557.36	212,976.41	1,762,926.60	400,218.36	2,163,144.96
Track and roadway labor.....	1,755,671.18	535,545.79	2,291,216.97	21,227.09	374,992.87	1,768,894.40	281,556.79	2,050,451.19
Paving.....	1,800,666.42	875,720.94	2,676,387.36	51,949.79	775,460.85	1,691,311.54	261,564.76	1,952,876.30
Roadway machinery and tools.....	40,053.08	43,115.30	83,168.38	412.49	.....	40,465.57	43,115.30	83,580.87
Tunnels and subways.....	14,987.49	.....	14,987.49	.....	14,987.49	.....	.....	14,987.49
Bridges, trestles, and culverts.....	4,334.85	35,383.00	39,717.85	.....	4,334.85	35,383.00	35,383.00	39,717.85
Crossings, fences, and signs.....	48,201.58	16,209.38	64,410.96	1,175.71	.....	49,377.29	.....	49,377.29
Signals and interlocking apparatus.....	16,839.35	1,111.00	17,950.35	1,175.71	.....	17,125.06	1,111.00	18,236.06
Communication systems.....	5,919.12	1,198.00	7,117.12	1,075.84	.....	5,289.52	1,198.00	6,487.52
Powerhouse.....	913,369.00	771,260.36	1,684,629.36	17,383.35	64,537.09	927,253.22	710,222.40	1,637,475.62
Underground conduits.....	203,262.28	212,240.00	415,502.28	6,726.77	1,610.42	208,180.47	212,240.00	420,420.47
Distribution system.....	3,162,712.95	653,115.36	3,815,828.31	37,742.70	69,586.68	3,186,804.47	567,397.86	3,754,202.33
Shops, carhouses, and garages.....	4,177,843.77	862,308.45	5,040,152.22	110,365.63	6,328.70	4,282,080.70	862,308.45	5,144,389.15
Stations, miscellaneous buildings, and structures.....	167,245.11	34,845.00	202,090.11	4,429.16	.....	171,674.27	34,845.00	206,519.27
TOTAL WAY AND STRUCTURES.....	\$18,051,199.85	\$7,017,402.83	\$25,068,602.68	\$474,469.81	\$2,601,775.36	\$18,000,681.00	\$4,940,616.13	\$22,941,297.13

EQUIPMENT:

Electric street cars.....	\$ 2,120,584.26	\$ 154,978.00	\$ 2,275,562.26	\$ 18,837.70	\$ 9,811.67	\$ 2,130,421.96	\$ 154,978.00	\$ 2,285,400.96
Cable cars.....	536,794.00	670,280.05	1,207,074.05	.....	96,039.54	627,110.68	670,280.05	1,297,390.73
Motor coaches.....	6,278,469.08	82,559.15	6,361,028.23	4,000.64	.....	6,278,469.08	82,559.15	6,361,028.23
Tramway coaches.....	7,156,295.03	156,295.03	7,312,590.06	5,006.25	.....	7,156,295.03	156,295.03	7,312,590.06
Powerhouse.....	4,861.79	115,078.25	120,940.04	.....	.....	4,861.79	115,078.25	120,940.04
Service equipment, electric.....	1,003,624.50	94,798.33	1,098,422.92	3,771.59	.....	1,007,396.18	94,798.33	1,102,194.51
Electric equipment of street cars & trolley coaches.....	487,457.99	412,024.00	899,481.99	3,818.40	.....	491,276.49	412,024.00	903,300.49
Shop equipment.....	165,477.07	78,107.79	243,584.86	11,988.59	196.02	177,269.47	78,107.79	255,377.26
Furniture and office equipment.....	208,064.02	6,821.53	214,885.55	10,722.38	.....	218,786.40	6,821.53	225,607.93
Automotive and miscellaneous service equipment.....	\$18,415,637.50	\$1,614,555.95	\$20,030,193.45	\$ 58,215.55	\$ 106,067.23	\$18,473,806.40	\$1,338,163.60	\$19,811,970.00

TOTAL EQUIPMENT

POWER

Substation buildings.....	\$ 15,241.48	\$ 99,182.07	\$ 114,423.55	\$ 2,515.62	\$	\$ 16,757.16	\$ 99,182.07	\$ 115,939.23
Power plant equipment, yard, etc.....	1,111,200.00	.....	1,111,200.00	.....	.....	1,111,200.00	.....	1,111,200.00
Substation equipment.....	1,111,200.00	.....	1,111,200.00	.....	.....	1,111,200.00	.....	1,111,200.00
Transmission equipment.....	1,111,200.00	.....	1,111,200.00	.....	.....	1,111,200.00	.....	1,111,200.00
TOTAL POWER.....	\$ 2,387,641.48	\$ 99,182.07	\$ 2,486,823.55	\$ 2,515.62	\$ 0.00	\$ 2,387,641.48	\$ 99,182.07	\$ 2,486,823.55

TOTAL

TOTAL.....	\$36,468,837.88	\$18,619,191.61	\$55,088,029.49	\$487,008.00	\$2,807,842.69	\$36,386,681.00	\$15,381,415.83	\$51,768,096.83
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All in dollars and cents.

SCHEDULE A-2

MUNICIPAL RAILWAY OF SAN FRANCISCO
SUMMARY OF ROAD AND EQUIPMENT DEPRECIATION
FOR THE YEAR ENDED JUNE 30, 1953

	BALANCES, JUNE 30, 1952—				—BALANCES, JUNE 30, 1953—			
	Municipal Railway	Market Street Extension	Combined	Provision for Year Ended June 30, 1953	Retirements	Municipal Railway	Market Street Extension	Combined
WAY AND STRUCTURES:								
Grading	\$ 301,872.03	\$ 527,515.98	\$ 829,388.01	\$ 17,220.91	\$ 334,778.05	\$ 277,437.81	\$ 234,393.06	\$ 511,830.87
Ballast	304,287.14	265,286.08	569,573.22	5,609.36	163,292.47	282,386.99	129,503.12	411,890.11
Track	167,198.51	175,342.14	342,540.65	4,301.68	100,922.56	156,433.42	99,486.35	255,919.77
Roller, rail fastenings, and joints	832,570.69	677,201.74	1,509,772.43	17,016.22	450,491.85	785,513.57	310,753.17	1,096,266.74
Special track work	243,380.62	359,502.72	602,883.34	14,620.29	211,590.13	179,265.59	410,218.36	589,483.95
Underground construction	1,736,888.40	418,277.72	2,155,166.12	8,294.42	1,135,166.12	1,729,635.38	410,218.36	2,139,853.74
Track and roadway labor	980,773.95	552,164.41	1,532,938.36	12,944.85	371,658.86	927,941.69	281,556.79	1,209,498.48
Paving	1,389,354.79	874,125.02	2,263,479.81	33,832.14	774,871.27	1,261,075.92	564,545.20	1,825,621.12
Roadway machinery and tools	27,739.68	40,104.37	67,844.05	1,394.75	14,987.49	28,693.60	40,545.20	69,238.80
Tunnels and subways	1,568,683.44	14,153.55	1,582,836.99	632.72	.....	14,987.49	.....	14,987.49
Bridges, trestles, and culverts	24,457.60	17,079.34	41,536.94	1,087.79	.....	3,034.36	14,697.70	17,732.06
Crossings, fences, and signs	8,068.72	1,741.00	9,809.72	721.81	.....	25,545.39	25,545.39	25,545.39
Signals and interlocking apparatus	18,766.24	198.00	18,964.24	4,305.47	.....	8,790.53	1,741.00	10,531.53
Communication systems	217,878.60	702,022.54	919,901.14	44,775.27	.....	23,071.71	198.00	23,269.71
Pole and conduit	99,724.61	166,923.63	266,648.21	6,408.30	.....	239,759.10	666,389.44	906,148.54
Underground conduits	738,835.39	508,503.35	1,247,338.74	98,267.01	.....	103,344.26	174,925.50	278,269.76
Distribution system	1,192,515.08	714,949.33	1,907,464.41	106,535.33	.....	1,283,913.56	723,403.58	2,007,317.14
Shops, carhouses, and garages	57,758.89	32,829.55	90,588.44	6,225.33	.....	63,704.88	33,108.89	96,813.77
Stations, miscellaneous buildings and structures	.....	.....	.....	.....	.....	.....	.....	.....
TOTAL WAY AND STRUCTURES	\$8,380,414.42	\$6,030,840.69	\$14,411,255.11	\$15,459.66	\$2,551,674.28	\$8,233,707.91	\$4,041,332.58	\$12,275,040.49
EQUIPMENT:								
Electric street cars	\$ 1,157,728.55	\$ 1,157,728.55	\$ 56,055.09	.....	.....	\$ 1,213,783.64	.....	\$ 1,213,783.64
Cable cars	536,794.00	142,430.60	679,224.60	4,911.40	9,811.67	526,982.33	147,342.00	674,324.33
Motor coaches	3,674,344.06	659,732.22	4,334,076.28	782,335.83	95,046.63	4,153,412.47	575,593.01	4,728,995.48
Trolley coaches	1,220,747.24	72,293.34	1,293,040.58	9,859.71	22,933.34	1,712,154.55	76,811.67	1,788,966.22
Fare boxes	33,087.41	.....	33,087.41	.....	.....	42,754.12	.....	42,754.12
Service equipment, electric	3,826.68	108,388.44	112,215.12	1,538.24	.....	3,980.14	109,773.22	113,753.36
Electric equipment of street cars and trolley coaches	622,549.86	709,697.91	1,332,247.77	22,497.28	.....	642,123.02	90,072.13	732,195.15
Shop equipment	144,436.03	388,884.02	533,320.05	32,969.00	(2,708.47)	173,079.93	393,209.12	566,289.05
Furniture and office equipment	87,783.29	66,185.27	153,968.56	11,523.52	.....	100,617.04	67,557.35	168,174.39
Automotive and miscellaneous service equipment	69,061.50	6,226.88	75,288.38	23,620.35	(9,916.73)	102,649.88	6,375.58	109,025.46
TOTAL EQUIPMENT	\$ 7,550,338.72	\$1,531,288.68	\$ 9,081,627.40	\$1,445,013.06	\$ 92,261.26	\$ 8,967,735.12	\$1,466,664.08	\$10,434,399.20
POWER:								
Substation buildings	\$ 2,014.66	\$ 241,786.89	\$ 244,701.55	\$ 6,233.95	.....	\$ 4,398.35	\$ 246,537.15	\$ 250,935.50
Power plant equipment, cable cars	198,739.30	143,715.95	342,455.25	5,491.65	.....	199,337.90	148,589.00	347,926.90
Substation equipment	.....	428,325.11	428,325.11	6,395.02	.....	4,108.92	341,720.13	345,829.05
Transmission system	.....	9,763.02	9,763.02	.....	.....	.....	9,763.02	9,763.02
TOTAL POWER	\$ 201,653.96	\$ 823,500.97	\$ 1,025,154.93	\$ 18,120.62	.....	\$ 207,865.17	\$ 835,500.38	\$ 1,043,365.55
FRANCHISE	\$ 428.00	.....	.....	.....	.....	.....	.....	.....
TOTAL	\$16,132,855.10	\$8,385,720.34	\$24,518,575.44	\$1,878,593.34	\$2,643,935.54	\$17,409,736.20	\$6,343,497.04	\$23,753,233.24

(See Notes on following page)

SCHEDULE A-1
MUNICIPAL RAILWAY OF SAN FRANCISCO
SUMMARY OF ROAD AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 1953
(Concluded)

NOTES

1. Amounts shown under the caption "Market Street Railway" include only properties purchased from the Market Street Railway Company on September 29, 1944; additions to or replacements of Market Street Extension properties are included under the caption "Municipal Railway."
2. Properties acquired from California Street Cable Railway Company are included under the caption "Municipal Railway." The properties were acquired June 7, 1952 for a net book value of \$150,000.00 as follows.

Fixed capital accounts: estimated reproduction costs, as determined by the	
Public Utilities Commission.....	\$3,796,650.00
Depreciation accounts: estimated depreciation of reproduction cost to date of	
acquisition	3,646,650.00
Net book value	\$ 150,000.00

3. See comments in accompanying auditors' report regarding the valuation at which the foregoing accounts are carried in the Railway's accounts.

SCHEDULE A-2
MUNICIPAL RAILWAY OF SAN FRANCISCO
SUMMARY OF ROAD AND EQUIPMENT DEPRECIATION
FOR THE YEAR ENDED JUNE 30, 1953
(Concluded)

NOTES

1. Depreciation applicable to additions to or replacements of Market Street Extension properties is included under the caption "Municipal Railway."
2. The accumulated depreciation in California Street Cable Railway properties, mentioned in Schedule A-1, is included under the caption "Municipal Railway."
3. It is the policy of the Railway to take a full year's depreciation in the year of retirement and no depreciation in the year in which the asset is put into service.

SCHEDULE A-3
MUNICIPAL RAILWAY OF SAN FRANCISCO
UNMATURED BONDED DEBT, JUNE 30, 1953

Issue	—MATURITIES—			Principal Amount Outstanding June 30, 1953	
	Interest Rate	Principal Amount Per Annum	Dates		
Market Street Railway Refinancing Issue of 1947 (dated May 1, 1948).....	¾%	\$650,000	May	1, 1954	\$ 650,000
Rehabilitation Issue of 1947:					
Series A (dated February 1, 1948).....	1¾%	433,000	February	1, 1954	\$ 433,000
	2%	433,000	February	1, 1955-58	1,732,000
	2½%	433,000	February	1, 1959-63	2,165,000
					\$ 4,330,000
Series B (dated August 1, 1948).....	1¼%	123,000	August	1, 1953-55	\$ 369,000
	1¾%	123,000	August	1, 1956	123,000
	1¾%	559,000	August	1, 1957-58	1,118,000
	2%	559,000	August	1, 1959-60	1,118,000
	2%	560,000	August	1, 1961-63	1,680,000
					4,408,000
Series C (dated March 1, 1949).....	1½%	90,000	March	1, 1954-57	\$ 360,000
	1½%	380,000	March	1, 1958	380,000
	1½%	400,000	March	1, 1959-64	2,400,000
					3,140,000
Series D (dated August 1, 1949).....	4%	105,000	August	1, 1953	\$ 105,000
	1%	105,000	August	1, 1954-55	210,000
	1¼%	105,000	August	1, 1956	105,000
	1¼%	104,000	August	1, 1957-60	416,000
	1½%	104,000	August	1, 1961-64	416,000
					1,252,000
Series E (dated November 1, 1949).....	1%	39,000	November	1, 1953-54	\$ 78,000
	1%	38,000	November	1, 1955-56	76,000
	1¼%	38,000	November	1, 1957-61	190,000
	1½%	38,000	November	1, 1962-64	114,000
					458,000
Series F (dated September 1, 1950)	1¼%	110,000	September	1, 1953	\$ 110,000
	1¼%	690,000	September	1, 1954	690,000
	1%	690,000	September	1, 1955-56	1,380,000
					2,180,000
Series G (dated March 1, 1952).....	1½%	25,000	March	1, 1954	\$ 25,000
	1¾%	120,000	March	1, 1955-59	600,000
					625,000
Total Rehabilitation Issue of 1947.....					\$16,393,000
TOTAL UNMATURED BONDED DEBT					\$17,043,000

EXHIBIT B
MUNICIPAL RAILWAY OF SAN FRANCISCO
STATEMENT OF INCOME FOR THE YEARS ENDED
JUNE 30, 1953 AND 1952, AND COMPARISON

	YEAR ENDED JUNE 30,		Increase (Decrease)
	1953	1952	
OPERATING INCOME:			
Passenger revenue.....	\$23,328,178.63	\$18,083,096.94	\$5,245,081.69
Advertising revenue.....	121,381.86	128,756.22	7,374.36
Rents.....	16,710.17	10,322.98	6,387.19
Other.....	25,710.32	20,177.23	5,533.09
TOTAL OPERATING INCOME.....	\$23,491,980.98	\$18,242,353.37	\$5,249,627.61
OPERATING EXPENSES:			
Maintenance and repairs			
Ways and structures.....	\$ 677,349.81	\$ 688,378.12	(\$ 11,028.31)
Equipment.....	2,194,281.73	2,145,633.50	48,648.23
Total maintenance and repairs.....	\$ 2,871,631.54	\$ 2,834,011.62	\$ 37,619.92
Power.....	2,226,602.26	2,085,612.48	140,989.78
Conducting transportation.....	11,293,582.10	9,951,141.57	1,342,440.53
General and miscellaneous.....	2,658,078.92	2,468,354.83	189,724.09
Taxes.....	172,865.32	161,149.89	11,715.43
Total operating expense before provisions for accidents and depreciation.....	\$19,222,760.14	\$17,500,270.39	\$1,722,489.75
Provision for accident claims.....	1,749,613.40	1,763,826.33	14,212.93
Provision for depreciation (Schedule A-2).....	1,878,593.34	\$ 1,774,354.44	104,238.90
TOTAL OPERATING EXPENSES.....	\$22,850,966.88	\$21,038,451.16	\$1,812,515.72
GAIN FROM OPERATIONS.....	\$ 641,014.10	(\$ 2,796,097.79)	\$3,437,111.89
OTHER EXPENSES:			
Interest on bonded debt.....	\$ 295,796.52	\$ 287,001.45	\$ 8,795.07
Adjustments of valuation of materials and supplies to estimated salvage or useful value.....	1,320.47	35,000.00	(\$ 33,679.53)
Provision for estimated additional wages for prior years.....		23,471.67	23,471.67
TOTAL OTHER EXPENSES.....	\$ 297,116.99	\$ 345,473.12	(\$ 48,356.13)
GROSS GAIN.....	\$ 343,897.11	(\$ 3,141,570.91)	\$3,485,468.02
OTHER INCOME:			
Interest on bank balances.....	\$ 20,090.61	\$ 15,226.91	\$ 4,863.70
Insurance recovery on coaches damaged by Twenty-fourth and Utah Division fire.....	83,607.25		\$ 83,607.25
Realized from sales of other fixed capital and salvage less net book value of assets retired, and miscellaneous income.....	50,373.96	9,016.12	41,357.84
TOTAL OTHER INCOME.....	\$ 154,071.82	\$ 24,243.03	\$ 129,828.79
NET GAIN.....	\$ 497,968.93	(\$ 3,117,327.58)	\$3,615,296.51

EXHIBIT C
MUNICIPAL RAILWAY OF SAN FRANCISCO
STATEMENT OF SURPLUS FOR THE
YEAR ENDED JUNE 30, 1953

CONTRIBUTED SURPLUS:

Balance, July 1, 1952.....	\$8,349,767.62
Add donated equipment.....	150.00
	<u>\$8,349,917.62</u>
Deduct transfer of cash for amount due	
Emergency Reserve Fund set up	
June 30, 1952.....	9,000.00
BALANCE JUNE 30, 1953.....	<u>\$8,340,917.62</u>

DEFICIT FROM OPERATIONS:

Deficit, July 1, 1952.....	\$5,774,095.61
Add—	
Engineering costs incurred on	
abandoned rehabilitation projects.....	79,207.37
	<u>\$5,853,302.98</u>
Deduct —	
Profit from operations for the year ended	
June 30, 1953 (Exhibit B).....	\$497,968.93
Miscellaneous prior years payrolls.....	7,784.76
	<u>505,753.69</u>
DEFICIT, JUNE 30, 1953.....	<u>\$5,347,549.29</u>

San Francisco School Department

(A Unified School District)



REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1953

Lindquist, von Husen and Joyce

Certified Public Accountants

SAN FRANCISCO

October 30, 1953

Honorable Harry D. Ross, Controller
City and County of San Francisco
San Francisco, California

Dear Sir:

In accordance with your authorization we have examined the books of account, records and transactions of the San Francisco Unified School District for the fiscal year ended June 30, 1953, and submit herewith the following statements:

EXHIBIT A—Proprietary Balance Sheet—June 30, 1953

EXHIBIT B—Statement of Current Surplus for the Fiscal Year Ended June 30, 1953

EXHIBIT C—Statement of Capital Surplus for the Fiscal Year Ended June 30, 1953

EXHIBIT D—Statement of Revenues and Expenditures for the Fiscal Years Ended June 30, 1953 and 1952

EXHIBIT E—Details of Revenue for the Fiscal Years Ended June 30, 1953 and 1952

EXHIBIT F—Details of Expenditures for the Fiscal Years Ended June 30, 1953 and 1952

EXHIBIT G—Funds Balance Sheet—June 30, 1953

EXHIBIT H—Reconciliation of Proprietary Balance Sheet with Funds Balance Sheet—June 30, 1953

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying balance sheets and related statements of surplus and revenues and expenditures present fairly the financial position of the San Francisco Unified School District as at June 30, 1953, and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our report, program and working papers in connection with this examination have been made available to Mr. David Supple, consultant and statistician for the Grand Jury.

Yours very truly,

LINDQUIST, VON HUSEN and JOYCE

Certified Public Accountants

REVENUES AND EXPENDITURES

The following comparative summary shows revenues and expenditures for the fiscal years ended June 30, 1953 and 1952 (cents omitted):

	Year Ended June 30,		Increase (Decrease)
	1953	1952	
Revenues:			
Property taxes and penalties	\$19,697,127	\$19,057,395	\$ 639,732
State of California—			
School funds apportionment	8,427,501	7,781,133	646,368
Retirement subventions	737,547	682,629	54,918
Other revenues	1,907,773	1,351,082	556,691
Auxiliary (indirect) revenues	424,754	381,446	43,308
Total revenues	\$31,194,702	\$29,253,685	\$1,941,017
Operating expenses	30,618,619	28,048,166	2,570,453
	576,083	1,205,519	(629,436)
Net capital outlay from current funds	66,400	821,400	(755,000)
Excess of revenues over expenditures	\$ 509,683	\$ 384,119	\$ 125,564

Property taxes were verified by reference to the tax rates, the records of the controller and examination of the cash transfer vouchers from the controller's office.

Revenues from the State School Fund consist of the share of state funds apportioned to San Francisco on the basis of average daily attendance and other factors for the preceding year, as follows (cents omitted):

	Total	Elementary Schools	High Schools	Junior College
Average daily attendance	(78,745)	(51,008)	(23,436)	(4,301)
\$95 per pupil	\$7,480,775	\$4,845,760	\$2,226,420	\$108,595
Physically handicapped	(967)	(813)	(154)	
Extra cost to school department (not over \$400 per pupil)	386,800	325,260	61,540	
Mentally retarded	(1,332)	(813)	(154)	
Not over \$150 per pupil	184,026	85,296	98,730	
School years maintained	(51)		(49)	(2)
\$1,000 per year	51,000		49,000	2,000
Evening schools	(5)		(5)	
\$4,000 per year	20,000		20,000	
Continuation school	(1)		(1)	
\$4,000 per year	4,000		4,000	
Transportation expense for exceptional children (total average daily attendance (183.41) times \$350—or actual, whichever is lower)	56,808	47,770	9,038	
Allowance based on growth in average daily attendance	244,092	196,471	28,886	18,735
Total	\$8,427,501	\$5,500,557	\$2,497,614	\$429,330

These revenues were verified by reference to the Principal Apportionment of the California State School Fund published by the State Superintendent of Public Instruction and to other data.

Following is a comparison of the average daily attendance:

	1952-1953	1951-1952
Elementary schools	53,111	51,008
High schools	23,310	23,436
Junior college	4,461	4,301
Total	80,882	78,745

We reviewed the procedures for compiling average daily attendance and tested the records of the Bureau of Research in the Board of Education Office and of certain schools and are satisfied that the average daily attendance figures are substantially correct.

BASIC DATA FOR STATE APPORTIONMENT FOR FISCAL YEAR 1953-54

The following is a summary of the basic data underlying the State apportionment for the fiscal year 1953-54. This summary is provided in order to place the audit of average daily attendance figures on a prospective rather than a retroactive basis.

	Total	Elementary Schools	High Schools	Junior College
Average daily attendance.....	80,882	53,111	23,310	4,461
Physically handicapped.....	980	866	114	
Mentally retarded.....	1,405	957	448	
School years maintained.....	44		42	2
Evening schools.....	5		5	
Continuation school.....	1		1	
Transportation expense for exceptional children.....	317	317		
Growth in average daily attendance.....	Note (1)			

Note (1): The growth in average daily attendance is divided into two periods, the first of which ends approximately at December 31, 1953 and the second at May 21, 1953 and, of course, cannot be computed until after such dates.

We reviewed the procedures for compiling the average daily attendance and tested the records of the Bureau of Research and of certain schools and satisfied ourselves that the average daily attendance figures are substantially correct.

Other revenues (\$1,907,772.47) were tested against various data and in our opinion are substantially correct. Details are shown in Exhibit E.

CHILD CARE CENTER:

As at June 30, 1953 there were 27 Child Care Centers in operation, serving approximately 1,074 children. During the fiscal year ended June 30, 1953 the combined centers had a total of child attendance hours as follows:

Nursery (under 5 years 9 months of age).....	1,605,034 hours
School age (5 years 9 months and over).....	487,137 hours
Total	2,092,171 hours

The basis of the State subvention was changed for the fiscal year ended June 30, 1953; therefore, there is no basis for a comparison of the total attendance hours with that of the prior year.

We reviewed the accounting records and procedures, and tested the income and expenditures to the extent we deemed appropriate.

Following is a comparative statement of income and expenditures for the fiscal years ended June 30, 1953 and 1952:

	Year Ended June 30	
	1953	1952
Income:		
State apportionment.....	\$459,000.00	\$400,000.00
Fees from parents.....	293,787.03	278,537.81
Current district taxes.....	162,684.37	111,000.39
Miscellaneous income.....	95.86	40.07
Total income.....	\$915,667.26	\$877,668.20
Expenditures:		
Administration.....	\$ 54,173.19	\$ 13,378.47
Instruction.....	493,694.97	451,314.21
Auxiliary services.....	12,631.56	13,267.11
Operation.....	120,307.74	96,258.27
Maintenance.....	30,155.04	8,325.71
Fixed charges.....	4,555.25	3,547.70
Food service.....	170,987.72	158,694.25
Capital outlay.....	5,751.95	19.78
Total expenditures.....	\$892,257.42	\$779,206.56
Excess of income over expenditures.....	\$ 23,409.84	\$ 78,162.61
Deduct portion of State apportionment not earned (refunded in 1952-1953).....		4,189.63
Net income.....	\$ 23,409.84	\$ 73,973.03

COUNTY SERVICE FUND:

The income and expenditures of the County Service Fund, which we test checked, were as follows:

Income:	
Balance of funds from prior year.....	\$ 836.00
State apportionment.....	31,550.00
Total income.....	\$32,386.00
Expenditures:	
County superintendent of schools.....	\$ 2,400.00
Bureau of research.....	5,000.00
Total administrative.....	\$ 7,400.00
Curriculum services.....	\$14,986.00
Visual education.....	10,000.00
Total instructional.....	\$24,986.00
Total expenditures.....	\$32,386.00
Balance of fund.....	None

CAFETERIAS:

During the year the School District operated fifty cafeterias. We tested the income and expenses and balance sheet accounts to the extent we deemed appropriate. We also reviewed the internal audit procedures and audits performed by the administrative office of the School District during the current year and believe that their audit procedures are adequate.

Following is a comparative statement of the income and expenses for the fiscal years ending June 30, 1953 and 1952:

	Fiscal Year Ending June 30,	
	1953	1952
Income:		
Sales—cafeteria.....	\$ 925,464.80	\$ 868,086.23
Sales—mid-morning lunches.....	171,337.15	154,535.02
Federal grants.....	74,225.62	100,212.79
Total income.....	\$1,171,027.57	\$1,122,834.04
Expenses:		
Cost of food.....	\$ 740,234.26	\$ 725,050.64
Salaries.....	318,561.95	294,530.09
Student help meals.....	32,923.57	28,260.60
Supplies and expense.....	42,574.82	40,597.26
Central office expense.....	750.18	1,183.36
Repairs and replacements.....	144.15	142.88
Provision for sick leave and vacations.....	25,796.52	23,747.41
Total expenses.....	\$1,160,985.45	\$1,113,512.24
Net income.....	\$ 10,042.12	\$ 9,321.80

The net income of the cafeterias is held in trust for cafeteria operations and is not available for any other operations.

STUDENT BODY FUNDS:

The student body funds and all accounting records in support thereof are maintained at City College and schools and are internally audited at regular intervals. We reviewed the audit procedures and audits made by the administrative office during the current year and believe them to be adequate.

PROPRIETARY BALANCE SHEET

FIXED CAPITAL PROPERTIES:

Fixed capital properties are stated in the proprietary balance sheet at the amounts shown in the records of the Controller. We understand that these represent appraised value as of 1951 (two subsequent additions at cost, except that property received at no cost is stated at appraisal value).

Following is a summary of the net additions to fixed capital properties during the fiscal year ended June 30, 1953:

	Total	Land	Buildings and Improvements	Equipment
Additions per School District records:				
1948 bond fund.....	\$10,741,258.97	\$268,147.62	\$10,075,624.36	\$397,486.99
School current fund.....	822,897.85	123,684.30	240,484.12	458,729.43
Child Care Centers.....	5,808.60			5,808.60
Special accumulative building fund.....	25,746.18		25,746.18	
Real property fund.....	39,370.34	39,370.34		
	<u>\$11,635,081.94</u>	<u>\$431,202.26</u>	<u>\$10,341,854.66</u>	<u>\$862,023.02</u>
Less:				
Net reduction due to properties sold, exchanged or otherwise disposed of.....	\$ 472,777.58	\$354,614.57	\$ 36,455.00	\$ 81,707.01
Prior years capital outlays recorded in 1952-1953.....	10,508.57	4,595.91	5,235.97	676.69
Work in progress reclassified as a deferred charge.....	145,481.36		145,481.36	
Adjustments between classifications.....		12,341.89	16,080.33	(28,422.22)
Adjustments not taken up by Controller.....	3,085.98	.10		(3,085.08)
Adjustments not taken up by School District.....	(10,879.74)	(6,103.96)	(3,643.60)	(1,132.18)
	<u>620,973.75</u>	<u>365,448.51</u>	<u>199,609.06</u>	<u>55,916.18</u>
Net additions per Controller's records 1952-1953.....	<u>\$11,014,108.19</u>	<u>\$ 65,753.75</u>	<u>\$10,142,246.60</u>	<u>\$806,107.64</u>

We tested the additions from the School Current Fund, but we did not test the additions from the 1948 School Bond Fund because these are not school district bonds, but are general obligation bonds of the City and County. As such the expenditures therefrom are being examined by the auditors engaged by the Board of Supervisors, pursuant to Charter Section 68, to make the annual audit of the Controller's books.

CASH:

Cash in the various funds of the School District at June 30, 1953 as shown by the books of the Treasurer, was as follows:

Current funds:

School District.....	\$ 5,152,082.96	
Bonds matured—unredeemed.....	6,000.00	
Bond interest matured—unpaid.....	9,441.25	\$ 5,167,524.21

Capital funds:

1948 school bonds.....	\$12,857,114.04	
Real property.....	59,061.91	12,916,175.95

Trust funds:

Accumulative building fund.....	\$ 5,896.80	
Child Care Center.....	200,899.35	
Sabbatical leave (teachers).....	16,120.16	
Retirement (teachers).....	18,885.50	
Annuity deposits (teachers).....	11,599.16	
Federal withholding tax.....	45,119.00	
County service fund.....	8,865.00	
Veterans' education.....	30.20	
Cafeteria.....	261,067.35	
Will C. Steinbrunn bequest.....	10,175.57	578,658.09

Total cash deposited with the Treasurer.....		18,662,358.25
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Cash transfers outstanding.....	\$ 342,910.04	
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Revolving funds:

School District.....	\$ 3,000.00	
Cafeteria.....	1,550.00	
	347,460.04	

Advances to purchasing department.....	18,601.12	
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Hume Foundation Trust Fund (deposited with American		
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Trust Co.)	238.00	366,299.16
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Total cash.....		\$19,028,657.41
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The cash on deposit with the Treasurer was reconciled to the Treasurer's cash balances as shown in the Report of Examination of the Office of the Treasurer, prepared by the General Audit Division, Office of the Controller, as at June 30, 1953.

ACCOUNTS RECEIVABLE:

A summary of the accounts receivable is set forth as follows:

Taxes and penalties:

Taxes—secured.....	\$162,692.28
Taxes—unsecured.....	375,696.51

Reserve for unsecured taxes.....	375,696.51	\$ 162,692.28
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1948 school bonds (Note 1).....		1,800,000.00
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Other accounts receivable:

Tuition due from other counties.....	\$353,849.67
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Subventions for vocational training of veterans.....	169,343.26
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Federal subvention for aid to local education (Public Law 874)	99,993.82
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Cafeterias:

Federal grants.....	13,780.03
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Other.....	15,565.92
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Salary overpayments.....	8,936.59
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Other.....	20,321.63	681,790.92
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Total.....		\$5,614,383.20
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Note 1: Represents a bid for the purchase of 1948 school bonds accepted by the Board of Supervisors of the City and County of San Francisco on June 29, 1953, which bonds were issued in August, 1953.

Taxes unreserved for in the amount of \$162,692.28 represent the portion of taxes secured.

Tuition due from other counties consists of \$482.35 billed for prior years but not collected. Total \$353,367.32 billed in July, 1953 for tuition for non-resident students at City College for the fiscal year 1952-1953.

Subventions for vocational training of veterans consists of bills rendered \$47,786.61 plus an estimate (\$121,556.65) for instruction and supplies given in April, May, and June, 1953 and billed subsequently.

Federal subvention for aid to local education covers assistance given by the Federal government to those local agencies upon which a financial burden has been placed by reason of providing education for children whose parents are employed or live on Federal property (Public Law 874).

Federal grants for cafeterias represent billings for May and June, 1953, which were subsequently collected.

Salary overpayments of \$8,936.59 are not considered fully collectible for various reasons, such as death, etc.

Other accounts receivable in the sum of \$20,321.63 represent amounts due from various sources, rentals, use of school buildings, etc.

The amount of accounts receivable (\$681,790.92) exclusive of secured taxes \$162,692.28, was taken into income in the year in which collected, and therefore are treated as a deferred credit on the balance sheet as at June 30, 1953.

Claims for fire damage as at June 30, 1953 in the amount of \$1,758.15 have been submitted and collected in the subsequent year. Of this amount \$295.00 is refundable to contractor.

INVENTORIES AND DEFERRED CHARGES:

Stores inventory represents the cost of supplies and some equipment on hand at June 30, 1953 as shown by the records of the School District. Physical inventories were taken, priced and extended by employees of the School District at various dates at the different storage locations. The inventory at the principal storage warehouse, 1440 Harrison Street, San Francisco, California, was taken on March 31, 1953. The general ledger balance of the inventory was increased by \$2,844.64 to bring it into agreement with the physical inventory.

We were present at the count of the inventory, observed the procedures and test counted a substantial amount thereof and satisfied ourselves that the physical count was substantially correct. We also tested the pricing, extensions, and footings of the inventory to the extent we deemed appropriate and found them to be correct. The procedures for accounting for the detailed perpetual inventory by quantities and the general ledger stores account in dollars were reviewed and we satisfied ourselves that the inventory as shown at June 30, 1953 was correctly stated.

The following is a summary of the insurance in force at June 30, 1953:

Fire and extended coverage:

School district property including contents.....	\$65,285,000
Automobiles: (Includes Driver Training Program cars)	
Bodily injury including non-ownership.....	\$200,000/500,000
Property damage	\$100,000
Fire and theft	Cash value
Collision — \$50.00 deductible	
(Driver Training only)	
Child Care Centers:	
Bodily injury	\$500,000/1,000,000
Property damage	\$1,000/10,000
Boiler	\$100,000/500,000
Blanket fidelity bond (each loss)	\$25,000
Additional fidelity bond coverage:	
Superintendent of schools	\$25,000
Chief of the budget division	\$15,000
Chief of the division of accounts	\$6,000
Board of Education members (each)	\$2,500
Valuable records	\$50,000
Rental income	\$348,000

The coverage in effect as shown above for fire and extended coverage is 90% of insurable value.

General public liability insurance is not carried. The legal adviser of the School District advised us that the contingent liability under unsettled claims is estimated to be \$100,000.00. Also, workmen's compensation insurance is not carried. The Retirement Board of the City and County of San Francisco advised us that the liability for unsettled claims at June 30, 1953 is estimated to be approximately \$113,000.00.

BONDED INDEBTEDNESS AND INTEREST:

Following is a summary of the changes in the bonded indebtedness during the fiscal year ended June 30, 1953 as shown by the records of the Controller. (Cents omitted):

Date of Issue	Interest Rate	Balance, June 30, 1952	Transactions During Fiscal Year		Balance, June 30, 1953
			Sold	Retirement	
March 1, 1923	5%	\$ 4,501,000		\$ 295,000	\$ 4,206,000
March 1, 1949	1-1/4%	3,400,000		500,000	2,900,000
March 1, 1949	1-1/2%	3,000,000			3,000,000
April 1, 1951	1-1/4%	1,279,000		255,000	1,024,000
April 1, 1951	1-3/4%	8,466,000			8,466,000
March 1, 1952	1-1/2%	9,100,000		450,000	8,650,000
December 1, 1952	1-3/4%		\$10,000,000		10,000,000
August 1, 1953 (Note 1)	4%		960,000		960,000
August 1, 1953 (Note 1)	2-1/2%		3,840,000		3,840,000
		\$29,746,000	\$14,800,000	\$1,500,000	\$13,046,000

*Includes \$6,000.00 matured but unpaid.

Note 1: The \$4,800,000 shown as sold August 1, 1953 represents a bid accepted by the Board of Supervisors of the City and County of San Francisco on June 29, 1953.

Of the \$48,900,000.00 school bond issue approved by public vote in November, 1949, \$7,990,000.00 remained unsold at June 30, 1953.

Bond interest payable or accrued as at June 30, 1953 amounted to \$204,596.67, as follows:

Coupons matured—not presented for payment.....	\$ 9,141.25
Interest accrued—not due	195,155.42
Total.....	\$204,596.67

The bonded debt and interest thereon are not reflected on the books of the School District as they are general obligations of the City and County of San Francisco, and are shown in the annexed balance sheet only as a matter of record. In accordance with past practice, the interest between the last coupon dates and the end of the fiscal year (\$195,155.42) has been treated as a deferred charge.

ACCOUNTS PAYABLE AND COMMITMENTS:

Following is a summary of accounts payable as at June 30, 1953:

Warrants and payroll deductions outstanding	\$ 2,176,099.52
Accounts payable—	
Goods and services received for which warrants had not been issued	281,877.47
Uncompleted purchase orders and contracts	11,114,902.51
	\$13,572,879.50

The contractual liability of \$11,114,902.51 for uncompleted purchase orders and contracts represents obligations for goods and services not received nor rendered as at June 30, 1953. Since these charges apply to subsequent periods, a like amount is shown as a deferred charge in the annexed sheet, in accordance with past practice.

The inter-fund accounts payable were reconciled with the records of the Controller. Following is a summary of these balances:

Employees' Retirement System.....	\$290,793.30
Department of Public Works	192,731.85
Other City departments	24,191.32
	\$507,716.47

The goods and services for which the above liabilities were incurred were furnished or rendered on or prior to June 30, 1953 and the corresponding charges are reflected in the accounts of the fiscal year then ended.

EXHIBIT A
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
PROPRIETARY BALANCE SHEET — JUNE 30, 1953

ASSETS

	Total	Current Funds	Capital Funds	Special and Trust Funds
FIXED CAPITAL PROPERTIES (Note 1):				
Land.....	\$ 14,084,207.16		\$ 14,084,207.16	
Building and improvements.....	61,744,312.50		61,744,312.50	
Equipment.....	7,592,686.89		7,592,686.89	
Total.....	\$ 83,421,206.55		\$ 83,421,206.55	
CASH:				
On deposit with Treasurer (Note 2).....	\$ 18,646,917.00	\$ 5,152,082.96	\$ 12,916,175.95	\$ 578,658.09
Cash transfers outstanding.....	342,910.04	8,770.21	6,642.63	327,497.20
Revolving funds.....	4,550.00	3,000.00		1,550.00
Advances to Purchasing Department.....	18,601.12	14,364.01	4,237.11	
Bond interest and redemption funds.....	15,441.25	15,441.25		
Other—Hume Foundation.....	238.00			238.00
Total.....	\$ 19,028,657.41	\$ 5,193,658.43	\$ 12,927,055.69	\$ 907,943.29
ACCOUNTS RECEIVABLE:				
Delinquent taxes and penalties.....	\$ 538,388.79	\$ 536,953.16		\$ 1,435.63
Less: Reserve for unsecured property taxes.....	375,696.51	375,347.92		348.59
Secured taxes and penalties.....	\$ 162,692.28	\$ 161,605.24		\$ 1,087.04
School bond subscriptions.....	4,800,000.00		\$ 4,800,000.00	
Other accounts, subventions, etc. (contra).....	681,790.92	643,129.45		38,661.47
Total.....	\$ 5,644,483.20	\$ 804,734.69	\$ 4,800,000.00	\$ 39,748.51
INTER-FUND ACCOUNTS.....	\$ 33,841.01	\$ 33,841.01		
INVENTORIES AND DEFERRED CHARGES:				
Stores—at cost.....	\$ 802,093.05	\$ 801,030.80		\$ 1,062.25
Shop inventory—at cost.....	24,016.53	24,016.53		
Other supplies and expense.....	20,412.36	20,412.36		
Unexpired insurance.....	4,513.70	4,513.70		
Bond interest accrued (contra).....	195,155.42	195,155.42		
Uncompleted contracts and purchase orders (contra).....	11,114,902.51	734,433.25	\$ 10,375,751.18	4,718.08
Work in progress.....	145,481.36		145,481.36	
Total.....	\$ 12,306,574.93	\$ 1,779,562.06	\$ 10,521,232.54	\$ 5,780.33
TOTAL.....	\$120,434,763.10	\$ 7,811,796.19	\$111,669,494.78	\$ 953,472.13

See notes appended to this exhibit which are made an integral part hereof.

EXHIBIT A
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
PROPRIETARY BALANCE SHEET — JUNE 30, 1953

LIABILITIES AND SURPLUS

	Total	Current Funds	Capital Funds	Special and Trust Funds
BONDED DEBT (Note 3)	\$ 43,046,000.00	\$ 6,000.00	\$ 43,040,000.00	
BONDED INTEREST:				
Coupons matured—unpaid.....	\$ 9,441.25	\$ 9,441.25		
Accrued interest not due (contra)	195,155.42	195,155.42		
Total.....	\$ 204,596.67	\$ 204,596.67		
ACCOUNTS PAYABLE AND COMMITMENTS:				
Warrants and payroll deductions outstanding.....	\$ 2,176,099.52	\$2,032,428.78	\$ 2,937.16	\$140,733.58
Accounts payable—materials and service.....	281,877.47	262,530.36		19,347.11
Uncompleted purchase orders and contracts (contra).....	11,114,902.51	734,433.25	10,375,751.18	4,718.08
Total.....	\$ 13,572,879.50	\$3,029,392.39	\$ 10,378,688.34	\$164,798.77
INTER-FUND ACCOUNTS:				
Department of Public Works.....	\$ 192,734.85	\$ 186,701.67		\$ 6,033.18
Employees' Retirement System.....	290,793.30	290,671.21		121.09
Other City departments.....	24,191.32	15,411.56		8,779.76
Total.....	\$ 507,719.47	\$ 492,784.44		\$ 14,934.03
SPECIAL AND TRUST FUNDS	\$ 735,043.83			\$735,043.83
DEFERRED CREDITS:				
Accounts receivable (contra).....	\$ 681,790.92	\$ 643,129.45		\$ 38,661.47
Other.....	28,631.98	28,598.95		33.03
Total.....	\$ 710,422.90	\$ 671,728.40		\$ 38,694.50
SURPLUS (EXHIBITS B AND C)	\$ 61,658,100.73	\$3,407,294.29	\$ 58,250,806.44	
TOTAL	\$120,434,763.10	\$7,811,796.19	\$111,669,494.78	\$953,472.43

See notes appended to this exhibit which are made an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO
 SAN FRANCISCO UNIFIED SCHOOL DISTRICT
 NOTES FORMING AN INTEGRAL PART OF EXHIBIT A

- Note 1: Fixed capital properties are not recorded on the general accounts of the School District. The amounts shown in the foregoing balance sheet are those shown by the records of the Controller.
- Note 2: Proceeds from the sale of certain land and buildings during the fiscal year ended June 30, 1953, aggregating \$756,497.50, were deposited with the Treasurer to the credit of the School District general fund and accordingly are included in the "Current Funds" column of the foregoing balance sheet. Of this amount, plus the balance at the beginning of the year of \$34,037.55, the Board of Education appropriated \$136,444.05 for capital outlay and \$654,091.00 remains specifically reserved for the same purpose.
- Note 3: Bonded debt and bond interest are not recorded on the accounts of the School District since they are general obligations of the City and County of San Francisco and not School District liabilities. These items are shown in the foregoing balance sheet only as a matter of record.
- Note 4: Contingent liability for personal injury claims is estimated by the legal advisor to the Board of Education to be \$100,000.00
- Contingent liability for compensation insurance claims pending June 30, 1953 is estimated by the San Francisco City and County Employees' Retirement System to be approximately \$113,000.00.

EXHIBIT B
 CITY AND COUNTY OF SAN FRANCISCO
 SAN FRANCISCO UNIFIED SCHOOL DISTRICT
 STATEMENT OF CURRENT SURPLUS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1953

BALANCE—JUNE 30, 1952	\$2,900,255.71
Add:	
Net revenues for fiscal year ended June 30, 1953 (Exhibit D).....	509,682.45
	<hr/> 3,409,938.16
Deduct:	
Adjustment of delinquent taxes and penalties for year ended	
June 30, 1953.....	2,643.87
BALANCE—JUNE 30, 1953.....	<hr/> \$3,407,294.29 <hr/>

EXHIBIT C
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF CAPITAL SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 1953

BALANCE — JUNE 30, 1952			\$56,882,595.29
Add:			
Capital outlay from non-capital funds:			
Capital outlay shown by School District records:			
From school general funds.....	\$822,897.85		
From child care centers' funds	5,808.60		
From special accumulative building fund	25,746.18		
	\$854,452.63		
Capital outlay not taken up by School District, to be recorded in 1953-1954	\$ 10,879.74		
Capital outlay not taken up by Controller, to be recorded in 1953-1954	(3,085.98)	7,793.76	
		\$862,246.39	
Capital outlay of prior years recorded in 1952-1953	10,508.57		851,757.82
Other revenue:			
Rentals	\$ 1,588.91		
Miscellaneous sales	3,007.00		4,595.91
Bonded debt matured during year			1,505,000.00
			\$58,743,929.02
Deduct:			
Cost or assigned book value of properties sold:			
Property—Block 1032—10.2717 acres—New Lowell High site	\$264,908.07		
Property—501 Castenda Way	1,000.00		
Property—507 Castenda Way	3,800.00		
Property—Block 1111, Lot 1, Anzavista School site	84,906.50		
Buildings—Franklin Elementary School	17,500.00		
Building—618 Olmstead	5.00		
13 Vacuum Cleaner systems removed from school buildings in 1942 to 1944 but not written off at that date	18,200.00		
1 Air Blower system—Washington Irving School..	500.00		
1 Water Pump system—Galileo High School	250.00		
	\$91,069.57		
Cost or assigned book value of equipment disposals during year	81,708.01		
Insurance claim on fire at Daniel Webster School...	20,345.00		493,122.68
			\$57,290,886.44
BALANCE — JUNE 30, 1953			

Note: Gain on sale of Laurel Heights Property (\$384,377.83) was transferred to Current Surplus.

EXHIBIT D

CITY AND COUNTY OF SAN FRANCISCO
 SAN FRANCISCO UNITED SCHOOL DISTRICT
 STATEMENT OF REVENUES AND EXPENDITURES
 FOR THE FISCAL YEARS ENDED JUNE 30, 1953 AND 1952

	Fiscal Years Ended June 30,	
	1953	1952
REVENUES (EXHIBIT E)	\$31,194,702.01	\$29,253,684.96
OPERATING EXPENSES:		
Administration.....	\$ 791,350.77	\$ 739,628.18
Instruction.....	21,000,685.63	19,541,089.27
Auxiliary services.....	271,234.66	267,089.82
Operations.....	2,328,595.95	2,224,547.30
Maintenance.....	1,810,644.43	1,418,445.19
Fixed charges.....	3,342,209.30	2,941,109.09
Transportation of pupils.....	307,527.33	224,028.51
Food service.....	120,277.39	123,353.69
Community services.....	218,779.49	185,163.36
Tuition from other districts.....	2,560.25	2,264.74
Total direct expenses.....	\$30,193,865.20	\$27,666,719.35

AUXILIARY (INDIRECT) SERVICES
 CONTRIBUTED BY THE BOARD
 OF HEALTH:

Medical inspection.....	\$ 84,615.27	\$ 78,939.22
Dental inspection.....	48,080.58	46,209.43
Nurse service.....	292,058.16	256,297.67
Total indirect expenses.....	\$ 424,754.01	\$ 381,446.32
Total operating expenses (Exhibit F).....	\$30,618,619.21	\$28,048,165.67

EXCESS OF REVENUES

	\$ 576,082.80	\$ 1,205,519.29
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CAPITAL OUTLAY FROM

CURRENT FUNDS

	\$ 822,897.85	\$ 890,735.61
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Less:

Sale of land and buildings.....	756,497.50	69,335.55
Net capital outlay from current funds (Exhibit F).....	\$ 66,400.35	\$ 821,400.06

NET REVENUES

	\$ 509,682.45	\$ 384,119.23
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EXHIBIT E

CITY AND COUNTY OF SAN FRANCISCO
 SAN FRANCISCO UNITED SCHOOL DISTRICT
 DETAILS OF REVENUE
 FOR FISCAL YEARS ENDED JUNE 30, 1953 AND 1952

	Fiscal Years Ended June 30,	
	1953	1952
PROPERTY TAXES AND PENALTIES	\$19,697,127.40	\$19,057,394.55
RECEIVED FROM STATE OF CALIFORNIA:		
Elementary schools.....	\$ 5,500,557.10	\$ 4,996,542.35
High schools and City College ^a	2,926,943.80	2,784,590.49
Retirement subventions.....	737,547.23	682,629.34
Total.....	\$ 9,165,048.13	\$ 8,463,762.18
OTHER REVENUES:		
San Francisco Housing Authority.....	\$ 70,309.39	\$ 89,095.23
Federal and State vocational education.....	57,191.88	60,444.53
Reimbursement for veterans' vocational training.....	192,018.30	189,794.18
Tuition from other countries.....	359,814.44	385,882.44
Rentals.....	363,736.37	362,218.11
Federal Military Aid and Public Law 874.....	723,553.27	192,984.86
Miscellaneous.....	141,148.82	70,662.86
Total.....	\$ 1,907,772.47	\$ 1,351,081.91
Total direct revenues.....	\$30,769,948.00	\$28,872,238.64
AUXILIARY (INDIRECT) REVENUES:		
Services of physicians, dentists and nurses received from Department of Health.....	424,754.01	381,446.32
TOTAL REVENUES.....	\$31,194,702.01	\$29,253,684.96

EXHIBIT F, PAGE 1
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1953 AND 1952

	Fiscal Years Ended June 30,	
	1953	1952
ADMINISTRATION:		
Salaries.....	\$ 643,527.97	\$ 611,893.72
Supplies.....	45,427.03	15,621.98
Travel expense.....	14,331.52	16,852.32
Miscellaneous.....	88,064.25	67,739.96
Total.....	\$ 791,350.77	\$ 739,628.18

INSTRUCTION — SALARIES:

Supervision.....	\$ 371,034.86	\$ 352,438.68
Elementary schools.....	8,728,371.55	8,008,509.36
Special schools.....	505,827.42	462,690.21
Junior high schools.....	3,542,654.92	3,161,112.11
Senior high schools.....	3,893,283.46	3,854,926.50
Adult schools.....	781,164.92	738,272.19
Trade and industrial schools.....	374,746.05	380,481.53
Continuation school.....	165,246.08	143,497.96
City College.....	1,588,896.66	1,488,061.52
Total.....	\$19,951,225.92	\$18,592,393.38

INSTRUCTION — SUPPLIES, ETC.:

Educational supplies.....	\$ 626,436.87	\$ 575,268.85
Books.....	206,963.92	200,527.45
Travel expense.....	17,222.81	18,044.32
Miscellaneous.....	198,836.11	154,855.27
Total.....	\$ 1,049,459.71	\$ 948,695.89

AUXILIARY SERVICES:

Compulsory education.....	\$ 150,451.30	\$ 112,511.62
Guidance service centers.....	86,486.80	83,544.37
Student placement service.....	21,329.62	19,721.63
Nurse service.....	8,020.00	7,670.43
Miscellaneous.....	4,946.94	13,599.54
Total.....	\$ 271,234.66	\$ 267,060.03

Carried forward.....	\$22,063,271.06	\$20,547,807.27
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EXHIBIT F, PAGE 2
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1953 AND 1952

	Fiscal Years Ended June 30,	
	1953	1952
Brought forward.....	\$22,033,271.06	\$20,547,807.27
OPERATION:		
Janitors, enginccrs and gardners:		
Salaries.....	\$ 1,641,975.14	\$ 1,561,994.56
Supplies.....	110,010.82	103,393.47
Gas and electricity.....	239,012.06	215,454.85
Fuel.....	78,672.44	94,705.50
Water.....	52,146.87	49,444.01
Miscellaneous.....	206,778.62	199,554.91
Total.....	\$ 2,328,595.95	\$ 2,224,547.30
MAINTENANCE:		
Repairs:		
Buildings and grounds.....	\$ 1,548,846.44	\$ 1,217,315.09
Janitors' equipment.....	8,852.21	1,352.00
Educational equipment.....	241,713.17	185,032.83
Fire damage.....	1.90	4,199.96
Miscellaneous.....	11,230.71	10,545.31
Total.....	\$ 1,810,644.43	\$ 1,418,445.19
FIXED CHARGES:		
Rents.....	\$ 7,011.18	\$ 6,000.28
Insurance.....	57,000.13	49,237.41
Compensation and accident claims.....	43,594.49	32,275.16
Contributions to retirement system:		
City.....	3,179,284.48	2,802,242.36
State.....	43,308.00	43,308.00
Miscellaneous.....	12,011.02	8,045.88
Total.....	\$ 3,342,209.30	\$ 2,941,109.09
TRANSPORTATION OF PUPILS.....	\$ 307,527.33	\$ 224,028.51
FOOD SERVICE:		
Cafeteria supervision.....	\$ 48,392.92	\$ 52,567.55
Cafeteria maintenance.....	23,334.22	25,163.43
Free meals.....	18,295.30	15,213.80
Health classes and other expenses.....	30,254.95	30,408.91
Total.....	\$ 120,277.39	\$ 123,353.69
Carried forward.....	\$29,972,525.46	\$27,479,291.05

EXHIBIT F, PAGE 3
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1953 AND 1952

	Fiscal Years Ended June 30,	
	1953	1952
Brought forward.....	\$29,972,525.46	\$27,479,291.05
COMMUNITY SERVICES:		
Recreation program.....	\$ 140,782.80	\$ 130,566.42
Veterans' counseling.....	34,217.74	14,034.66
Civic Center activities.....	43,778.95	58,875.46
City College dormitories.....		1,900.02
Total.....	\$ 218,779.49	\$ 185,166.56
TUITION PAID TO OTHER DISTRICTS.....	\$ 2,560.25	\$ 2,268.74
TOTAL DIRECT EXPENDITURES.....	\$30,193,865.20	\$27,666,719.43
AUXILIARY (INDIRECT) EXPENDITURES:		
Contributed by Board of Health:		
Medical inspection.....	\$ 84,615.27	\$ 78,939.23
Dental inspection.....	48,080.58	46,209.41
Nurse service.....	292,058.16	256,297.67
Total.....	\$ 424,754.01	\$ 381,146.32
TOTAL OPERATING EXPENDITURES.....	\$30,618,619.21	\$28,048,165.67
CAPITAL OUTLAY FROM CURRENT FUNDS:		
Land.....	\$ 123,684.30	\$ 394,741.79
Buildings and improvements.....	240,484.12	133,345.37
Equipment.....	458,729.43	362,648.25
	\$ 822,897.85	\$ 890,735.61
Less:		
Sale of land and buildings.....	\$ 756,497.50	\$ 69,235.55
NET CAPITAL OUTLAY FROM CURRENT FUNDS.....	\$ 66,400.35	\$ 821,400.06

EXHIBIT G (CONTINUED)
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
FUNDS BALANCE SHEET — JUNE 30, 1953
(AS SHOWN BY ACCOUNTS OF THE CONTROLLER)

ASSETS

	Total	Cash Available	Cash in Transit	Accounts Receivable	Other Resources	Unsold Bonds	Inter-fund Accounts	Investment
CURRENT FUNDS:								
School District.....	\$ 4,465,612.24	\$ 3,119,654.18		\$ 817,778.70	\$486,000.00		\$ 42,179.36	
CAPITAL FUNDS:								
Real Property.....	\$ 59,001.91	\$ 59,001.91						
1948 School Bonds (Note 1).....	25,894,236.88	12,854,236.88				\$7,990,000.00		\$250,000.00
Total.....	\$25,953,238.79	\$12,913,238.79		\$4,800,000.00		\$7,990,000.00		\$250,000.00
SPECIAL AND TRUST FUNDS:								
Special Accumulative								
Building Fund.....	\$ 5,896.80	\$ 5,896.80						
Child Care Center.....	142,269.67	131,518.52		\$ 10,751.15				
Withholding Tax.....	353,699.10	45,112.80	\$306,586.30					
County services.....	8,865.00	8,865.00						
Teachers' Sabbatical Leave.....	9,440.18	9,440.18						
Teachers' Permanent Fund.....	17,915.50	257.00	17,658.50					
Teachers' Annuity Fund.....	11,642.84	1,522.12	10,120.72					
Veterans' Education Fund.....	30.20	30.20						
Galateria.....	254,452.27	223,106.32		29,345.95				\$5,000.00
Will C. Steinbrunn Bequest.....	15,175.57	10,175.57						\$5,000.00
Total.....	\$ 819,387.13	\$ 437,924.51	\$336,365.52	\$ 40,097.10				\$5,000.00
TOTAL	\$31,238,238.16	\$16,470,817.48	\$336,365.52	\$5,657,875.80	\$486,000.00	\$7,990,000.00	\$292,179.36	\$5,000.00

Note 1: Represents a bid for the purchase of 1948 School Bonds accepted by the Board of Supervisors of the City and County of San Francisco on June 29, 1953, which bonds were issued in August, 1953, in the amount of \$4,800,000.00.

EXHIBIT G (CONCLUDED)
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
FUNDS BALANCE SHEET — JUNE 30, 1953
(AS SHOWN BY ACCOUNTS OF THE CONTROLLER)

LIABILITIES AND SURPLUS

	Total	Encumbrances	Inter-fund Accounts	Reserve for Delinquent Taxes, Penalties, etc.	Fund Balances		Retirement, Trust and Accumulated Balances
					Uncumbered	Unappropriated	
CURRENT FUNDS:							
School District.....	\$ 4,465,612.24	\$ 743,609.27	\$ 725,315.04	\$ 400,369.21	\$ 566,129.28	\$2,030,189.44	
CAPITAL FUNDS:							
Real Property.....	\$ 59,001.91	\$ 572.75			\$ 55,846.26	\$ 2,582.90	
1948 School Bonds.....	25,894,236.88	8,922,972.36	\$ 445,557.09		16,491,877.37	33,830.06	
Total.....	\$25,953,238.79	\$8,923,545.11	\$ 445,557.09		\$16,547,723.63	\$ 36,412.96	
SPECIAL AND TRUST FUNDS:							
Special Accumulative Building Fund.....	\$ 5,896.80				\$ 5,896.80		
Child Care Center.....	142,269.67	\$ 21,538.99	\$ 16,978.76	\$ 348.59	5,000.00	\$ 98,403.33	
Withholding Tax.....	353,699.10						\$353,699.10
County Services.....	8,865.00		8,865.00				
Teachers' Substantial Leave.....	9,440.18						9,440.18
Teachers' Permanent Fund.....	17,915.50						17,915.50
Teachers' Annuity Fund.....	11,642.84						11,642.84
Veterans' Education Trust Fund.....	30.20						30.20
California.....	254,452.27		149.79		5,033.03	249,269.45	
Will C. Steinbaum Bequest.....	15,175.57						15,175.57
Total.....	\$ 819,387.13	\$ 21,538.99	\$ 25,991.55	\$ 348.59	\$ 15,929.83	\$ 347,672.78	\$407,802.40
TOTAL.....	\$11,293,248.16	\$9,688,693.37	\$1,196,865.68	\$400,717.80	\$17,129,282.74	\$ 2,414,775.18	\$407,802.40

EXHIBIT H (CONTINUED)
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET — JUNE 30, 1953

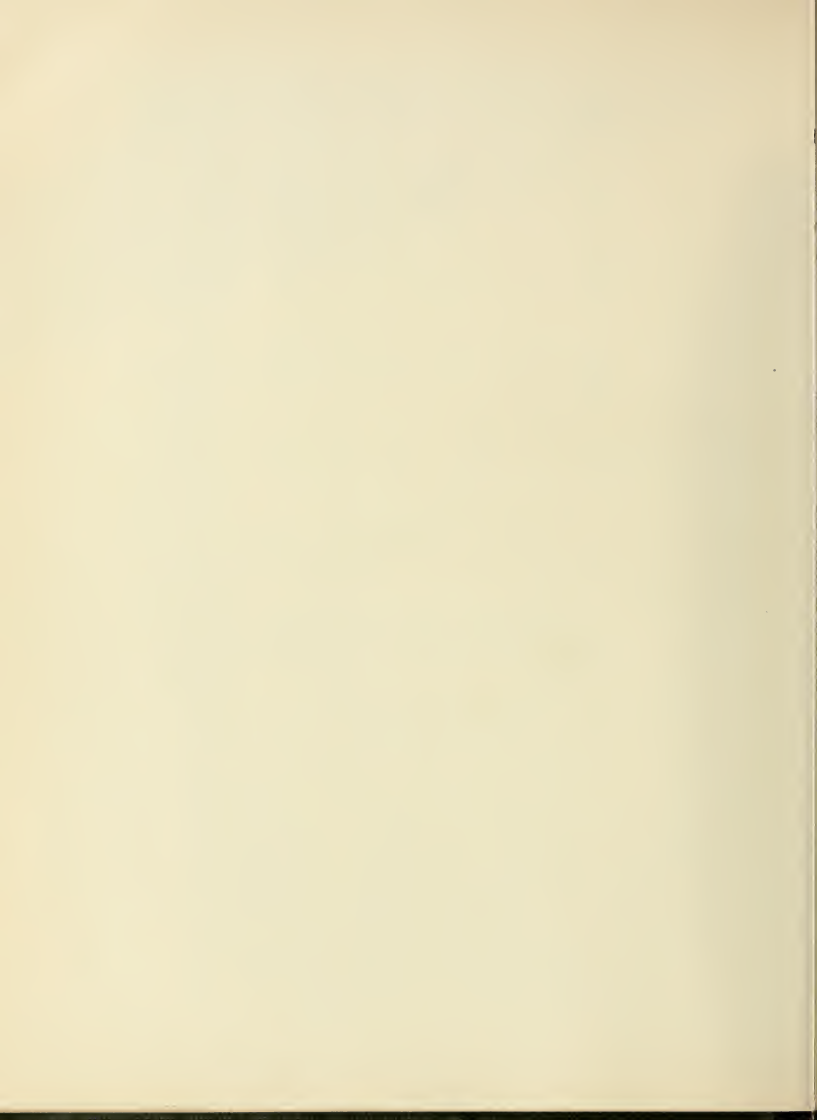
ASSETS

PROPRIETARY BALANCE SHEET (Exhibit A)	Total	Fixed Assets	Cash	Accounts Receivable	Inter-fund Accounts	Unsold Bonds	Deferred Charges	Investments
DEDUCT:								
Fixed capital properties.....	\$ 83,421,206.55	\$83,421,206.55						
Warrants and payroll deductions outstanding.....								
Revolving funds.....	2,176,099.52		\$ 2,176,099.52					
Advances to Purchasing Department.....	4,550.00		4,550.00					
Bonds matured—unpaid.....	18,601.12		18,601.12					
Bond interest matured—unpaid.....	6,000.00		6,000.00					
Hume Foundation Trust Fund.....	9,441.25		9,441.25					
Accounts receivable—tuition.....	238.00		238.00					
Salary suit repayments.....	353,367.32			\$ 353,367.32				
Rentals.....	8,716.59			8,716.59				
Inventories and deferred charges.....	220.00			220.00				
Cash transfers outstanding.....	12,306,574.93						\$12,306,574.93	
	6,544.52		6,544.52					
Total.....	\$ 98,311,559.80	\$83,421,206.55	\$ 2,221,474.41	\$ 362,303.91			\$12,306,574.93	
ADD:								
Investments.....	\$ 5,000.00							\$5,000.00
Inter-fund transactions.....	258,338.35				\$258,338.35			
1948 School Bonds unsold.....	7,990,000.00					\$7,990,000.00		
Reserve for unsecured property taxes.....	375,696.51			\$ 375,696.51				
Estimated Federal Grant Receivable— School Construction Project.....	486,000.00			486,000.00				
Total.....	\$ 9,115,034.86			\$ 861,696.51	\$258,338.35	\$7,990,000.00		\$5,000.00
FUNDS BALANCE SHEET (Exhibit G).....	\$ 31,238,238.16		\$16,807,183.00	\$6,143,875.80	\$292,179.36	\$7,990,000.00		\$5,000.00

EXHIBIT H (CONCLUDED)
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET — JUNE 30, 1953

LIABILITIES AND SURPLUS

	Total	Bonded Debt	Bond Interest	Accounts Payable and Encumbrances	Interfund Accounts	Deferred Credits	Balance of Funds
PROPRIETARY BALANCE SHEET (Exhibit A).....	\$120,434,763.10	\$43,046,000.00	\$204,596.67	\$13,572,879.50	\$ 507,719.47	\$710,422.90	\$ 62,393,144.56
DEDUCT:							
Fixed capital—less bonded debt.....	\$ 83,421,206.55	\$43,040,000.00					
Warrants and payroll deductions outstanding.....	2,176,099.52						
Advances to Purchasing Department.....	4,550.00			\$ 2,176,099.52			4,550.00
Bonds matured—unpaid.....	18,601.12						18,601.12
Bonds interest matured—unpaid.....	6,000.00						
Hume Foundation Trust Fund.....	9,441.25		\$ 9,441.25				
Accounts receivable reserves:	238.00						238.00
Tuition.....	353,367.32						
Salary suit repayments.....	8,716.59					\$353,367.32	
Rentals.....	220.00					8,716.59	
Miscellaneous.....						220.00	
Inventory and deferred charges.....	12,306,574.93					348,118.99	
Bonds interest not due.....			195,155.42			12,306,574.93	
Interfund transactions.....						(195,155.42)	
Cash transfers outstanding.....	6,544.52			\$ 1,708,086.61		(1,708,086.61)	6,544.52
Total.....	\$ 98,311,559.80	\$43,046,000.00	\$204,596.67	\$ 3,984,186.13		\$710,422.90	\$ 50,466,354.10
ADD:							
Investments.....	\$ 5,000.00						\$ 5,000.00
Interfund transactions.....	258,338.35				\$ 689,146.21		1,000,000.00
1948 School Bonds un sold.....	7,590,000.00						7,590,000.00
Reserve for uninsured property taxes.....	575,696.51					\$375,696.51	
Reserve for Depreciation Public Works.....						25,000.00	
Reserve for Depreciation School Buildings.....						21.29	
Estimated Federal Grant Receivable.....							180,000.00
School Construction Project.....	486,000.00						486,000.00
Total.....	\$ 9,115,034.86				\$ 689,146.21	\$400,717.80	\$ 9,204,090.87
FUNDS BALANCE SHEET (Exhibit G).....	\$ 31,239,238.16			\$ 9,688,093.37	\$1,196,865.63	\$400,717.80	\$ 9,204,090.87
				Unappropriated balances.....			2,816,160.00
				Unencumbered appropriations.....			1,708,797.79
				Trust Funds.....			6,685,143.08
				Total.....			\$ 10,999,061.87



**City and County of San Francisco
Employees' Retirement System**



EXAMINATION
FOR THE YEAR ENDED
JUNE 30, 1953

Farquhar & Heimbucher

Certified Public Accountants

220 BUSH STREET, SAN FRANCISCO 4, CALIFORNIA

November 13, 1953

To the Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California

We have examined the balance sheet of the City and County of San Francisco Employees' Retirement System at June 30, 1953 and the related statement of changes in equities for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of changes in equities present fairly the financial position of the City and County of San Francisco Employees' Retirement System at June 30, 1953, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

FARQUHAR & HEIMBUCHER

SUMMARY OF CONTENTS

The remainder of this report, in addition to including the financial statements listed below, presents significant comments regarding the accounts and the extent of our verification thereof, under the following headings:

General Comments
Comments on Operations
Comments on Balance Sheet

FINANCIAL STATEMENTS

Exhibit A Balance Sheet at June 30, 1953
Exhibit B Statement of Changes in Equities for Year ended June 30, 1953
Schedule A 1 Bond Investments

GENERAL COMMENTS

Our examination was made under the terms of an agreement with the Controller of the City and County of San Francisco dated February 9, 1953. Mr. David F. Sipple, Comptroller and assistant treasurer to the Grand Jury, participated.

The City and County of San Francisco Employees' Retirement System was originally established by the Board of Supervisors of the City and County of San Francisco on April 1, 1922, under Article XVII of the charter which was adopted at the general election of November 3, 1920. The system was established to provide retirement and death benefits for public employees other than policemen and firemen who were at that time members of a separate pension system and officers appointed by the Mayor or elected. In 1925 membership privileges were extended to employees of the San Francisco Unified School District. With the adoption of a new City and County of San Francisco charter effective January 8, 1932 the employees of the police and fire departments were brought into the system, and the present name and administration organization adopted.

The system is administered by the Retirement Board consisting of seven members: the President of the Board of Supervisors; the City Attorney; three active members of the membership; and two members appointed by the Mayor, of whom one is an officer of a company and the other a resident official of a life insurance company.

The present members of the Retirement Board are Mr. Dewey Mead, President of the Board of Supervisors; Mr. Dion R. Holm, City Attorney; Mr. John F. Brady, Mr. Arnold B. Crowley, and Mr. James J. McGovern, elected by the membership; Mr. Belford Brown of The San Francisco Bank; and Mr. Harry J. Stewart of West Coast Life Insurance Company. Mr. Ira G. Thompson is Secretary of the System.

Membership in the system is now effective for all permanent civil service employees of the City and County of San Francisco, for employees of the San Francisco Unified School District for certain temporary employees, and for certain elective officials. The present active membership is approximately 19700, and approximately 4200 retired employees or their beneficiaries are receiving monthly benefit allowances.

COMMENTS ON OPERATIONS

We have not audited the operating accounts in detail but we have reviewed the controls of internal control and the accounting procedures in use and have made sufficient tests of the transactions reflected in the statement of changes in equities to satisfy ourselves as to its general accuracy.

In the course of our examination we tested members' contributions with payroll records and with established contribution rates. Contributions of the City and County of San Francisco were found to be in accordance with the charter provisions. In the case of members contributing under the matching plan provided under charter section 165, the City and County of San Francisco contributed amounts equal to the members' normal contributions. Contributions on behalf of members who are contributing under charter sections 165.2, 168.1, and 171.1 were computed at rates established by the consulting actuary. During the year under review these rates were as follows:

Department	Charter Section	July 1, 1952 to January 31, 1953	February 1, 1953 to June 30, 1953
Municipal Railway.....	165.2	8.963%	9.31%
Water Department.....	165.2	7.740	7.60%
Police Department.....	168.1	27.691	17.63%
Fire Department.....	171.1	17.980	17.980%
All others.....	165.2	12.306	12.615

The above rates were computed on the basis of an actuarial survey as at June 30, 1947 adjusted for charter section changes and amendments.

An actuarial valuation as at June 30, 1951 has recently been completed, and as a result the following rates will become effective July 1, 1953.

Department	Charter Section	Rate July 1, 1953
Municipal Railway.....	165.2	6.502%
Water Department.....	165.2	10.605
Police Department.....	168.1	21.062
Fire Department.....	171.1	21.662
All others.....	165.2	12.553

In addition to the above contributions for current service benefits the City and County of San Francisco made contributions for payment of prior and current service benefits to policemen retired under sections 166 and 167 and firemen retired under sections 169 and 170 and for prior service benefits to other members retired or deceased.

Death benefit deposited represents a death benefit which is being paid in monthly installments at the request of the beneficiary.

Bond interest earned represents interest collected or accrued less amortization of premiums plus accumulation of discounts.

City and County of San Francisco other contributions represent reimbursement of actual administrative expenses and net compensation costs incurred.

We have examined or tested distributions to active and retired members and to beneficiaries of deceased members, representing withdrawals of contributions and payment of retirement and death benefits. No discrepancies were noted.

A summary of the benefits paid during the year under review is as follows:

Service retirements.....	\$4,966,997.61
Disability retirements.....	1,387,102.15
Death allowances.....	548,286.67
Death benefits to members' beneficiaries.....	399,420.58
Death benefits to beneficiaries of retired members.....	138,164.77
Total.....	<u>\$7,439,971.78</u>

Our examination of administrative expenses and compensation costs included tests of invoices and other supporting data and verification of the computation of compensation indemnity payments.

The excess of current year charges over tax appropriation received represents the excess of the requirements for current and prior service for the year over the tax appropriation for the current year. This excess has been charged against the accumulated unallocated appropriations of prior years, in which the tax appropriations exceeded the requirements, pending issuance of an opinion by the City Attorney as described later in the text of this report.

The excess of equity additions over reductions for the year is added to the several equity accounts which are described elsewhere in this report.

COMMENTS ON BALANCE SHEET

In the following paragraph we comment on the assets, liabilities, and equities of the system in the order in which they appear on the balance sheet, Exhibit A.

Cash—\$2,241,307.80

Cash on deposit with the Treasurer of the City and County of San Francisco, \$2,241,307.80, was verified by reconciliation with the balance shown on a certificate obtained directly from the General Audit Division of the Controller's Office, who performed the audit of the Treasurer's Office.

Certain warrants, amounting to \$26,345.32, which were cancelled by the Controller's department after they had remained unpaid for a considerable period of time are being carried as outstanding warrants in the accounts of the system and have been deducted from the above cash balance. The system is presently attempting to locate the payees of these warrants and make payments of them.

Taxes Allocated to Retirement System—\$68,965.48

The amount shown above, which was obtained from the Controller's office, represents the total property taxes which are allocated to the Retirement System, but which have not yet been collected by the City and County of San Francisco, less a reserve to cover the portion representing unsecured personal property taxes.

Bond Interest Accrued—\$865,621.00

We have satisfied ourselves by an independent calculation that the above amount of \$865,621.00 represents the bond interest earned, but not received, at June 30, 1953.

Due from City and County of San Francisco—\$1,043,987.20

A summary of the balances due from the City and County of San Francisco at June 30, 1953 is as follows:

Employees' contributions withheld from salaries.....	\$ 462,560.95
Contributions of policemen paid to Police Relief and Pension Fund prior to January 8, 1932.....	71,205.35
Due from special funds	
Compensation costs.....	52,041.34
Other.....	271.59
City and County contributions due from public utilities and special funds.....	457,907.97
	\$1,043,987.20

The amounts due for employees' contributions and for City and County of San Francisco contributions due from public utilities and special funds represent contributions for May and June 1953, for which cash transfers were made after June 30, 1953.

Contributions of policemen made prior to January 8, 1932, were not transferred to the Retirement System when the police department joined the Retirement System on that date. Instead, the balance is reduced at the time of separation, death, or retirement of each member by the amount of the contribution made to the former fund by that individual member plus interest and charged against current tax appropriations. It was not possible for us to confirm this balance with outside sources, but we reviewed the changes in the account during the year under review.

The amounts due from special funds represent compensation and other costs not reimbursed until after the close of the fiscal year.

The amounts due from special funds for compensation costs and other costs were verified by examination of the books of the Controller.

We have obtained confirmation of the other amounts due from the City and County of San Francisco by communicating direct with the office of the Controller, and, in cases of departments being currently audited by other certified public accountants, by communicating direct with their auditors.

**Estimated Future City and County of San Francisco Contributions for Compensation Claims
Pending—\$1,337,503.49**

The above figure represents the estimated amount to be received from the City and County of San Francisco to meet future payments of existing compensation claims at June 30, 1953. This amount is offset on the balance sheet by a similar amount representing the estimated liability for such claims.

This figure is based on estimates of the Compensation Division and was not verified by us.

Under the provisions of the Charter of the City and County of San Francisco, the benefit provisions of the workmen's compensation insurance and safety laws of the State of California, as they affect officers and employees of the City and County, are administered by the Retirement Board. Benefits under such risks as are assumed by the City and County are paid by the Retirement System from funds furnished by Special Fund Agencies and tax appropriation.

Bond Investments—\$126,319,203.73

Bonds owned by the system are held in joint custody of the Controller and the Treasurer of the City and County of San Francisco. They were verified by us by inspection as at June 30, 1953.

The above amount represents the purchase price of bonds owned, adjusted for amortization of premiums and discounts from the dates of purchase to June 30, 1953. We did not ascertain the current market value of these securities. None of the bonds owned were in default as to principal or interest at June 30, 1953.

All bonds owned are of the character legal for investment by insurance companies in the State of California.

Compensation Costs Payable—\$6,096.50

This amount includes medical bills of \$6,076.50 and filing fees of \$20.00 actually determined at June 30, 1953.

Estimated Liability for Compensation Insurance Claims Pending—\$1,337,503.49

This amount is based on estimates by the Compensation Division and was not verified by us. It is offset by a similar amount shown as due from the City and County of San Francisco.

Accumulated Contributions of Former Members—\$23,260.80

This amount consists in most part of pension warrants issued to a member who was elected as an officer of the County after retirement, and who declined pension payment. The remaining balance in this account represents warrants issued for withdrawals of contributions, but never presented for payment.

Advances from Private Sources—\$1,378.60

The above represents unexpended amounts received from various organizations for actuarial valuation expenses pertaining to proposed legislation affecting the retirement statutes.

Death Benefits on Deposit—\$22,396.49

This amount represents death benefits which the beneficiaries have voluntarily left on deposit with the Retirement System. They are being paid to the beneficiaries in monthly installments.

Present Value of Current Service Benefits Granted—\$34,510,010.70

This account represents reserves necessary to provide annuities and pensions for current service to retired members or their beneficiaries. Such reserves are not provided to meet pension requirements for prior service nor for current or prior service in the case of policemen retired under charter section 166 or of firemen retired under charter section 169, as such costs are covered by current contributions of the City and County of San Francisco.

These reserves are based originally on contributions accumulated by or for members, plus interest credited, less subsequent payments. However, since retirement benefits are on a guaranteed basis, some members' accounts eventually show payments in excess of the accumulated reserves while in other cases the reserves will exceed the actual payments. Therefore, as required by law, an actuarial valuation of these reserves is made every six years based on current mortality and interest rates. Such an actuarial survey was made as at June 30, 1951 upon which the above amount was based.

Accumulated Contributions, Members—\$42,102,942.30.

This balance represents the members' accumulated contributions as required by the applicable sections of the charter together with the accumulated interest. We have ascertained that this total is the aggregate of the balances reflected on individual members' accounts. We tested postings to the individual accounts from the payroll records and other sources. In all cases tested members were found to have been credited with their payroll withholdings and also with interest for the year ended June 30, 1953 at the rate of two and one-half percent.

Statements of accounts as at June 30, 1953 were prepared for substantially all active members and delivered by us to the various departments of the City and County for distribution to the members. Each statement carried a request that the member communicate direct with us if he believed it to be incorrect. All discrepancies which have been reported to us to date were minor in nature and have been adjusted. It was not practicable to deliver statements for all the accounts, but we have scrutinized the accounts for which statements were returned undelivered, as well as those for which no statements were prepared.

Accumulated Contributions, City and County of San Francisco—\$43,635,065.91

Contributions by the City and County of San Francisco for the benefit of present members and yet retired are accumulated in this account. Separate accounts are not maintained for individual members, but the contributions are computed in accordance with the charter section applicable to each member.

For the fiscal year ended June 30, 1953 interest was credited to this account at the rate of two and one-half percent.

Unallocated Tax Appropriations—\$1,422,442.45

This account represents the accumulated net excess of City and County of San Francisco tax appropriations allocated to the Retirement System over the pension costs incurred. Under the provisions of the Municipal Code such funds shall first be applied to meet the requirements for bond charges for the period for which appropriated, and then shall be used to meet the recommendations and obligations of the City and County of San Francisco to the Retirement System.

The tax allocation is made annually at the beginning of the year, and in any one year may or may not be sufficient to meet the actual requirements for that year. The present accumulated net excess is carried as a reserve.

During the year under review the tax appropriation received was insufficient, by \$275,904.03, to meet the requirements for fixed charges for current and prior service. We are informed that an opinion has been requested from the City Attorney as to whether a portion of the accumulated reserve described should be applied on the deficit in the appropriation for any year.

Pending clarification of this matter the deficit for the year under review has been charged against the reserve balance as shown below.

Balance at June 30, 1952.....		\$1,698,346.48
Deduct Fixed charges for current and prior service and other costs.....	\$9,089,393.25	
Less Tax appropriation allocated to the Retirement System for the year ended June 30, 1953.....	8,813,489.22	275,904.03
Balance at June 30, 1953.....		<u>\$1,422,442.45</u>

City and County of San Francisco Contributions Reserved for Current Service Benefits not Otherwise Funded and Prior Service Benefits—\$2,410,239.09

This reserve consists of unallocated funds retained by the system as provided by an ordinance effective June 30, 1946 plus annual additions for City and County of San Francisco contributions released as a result of withdrawal or death of members who were participating under matching plans and interest credited.

For annual statement purposes a portion of these funds is applied to the reserve for disability pensions in order to increase that reserve to the present value of the current service portion of disability pensions for retired members. These funds are also reduced annually for certain death benefits of active and retired members and for the restoration of matching contributions in connection with the re-deposit of members' contributions previously withdrawn.

Changes in this reserve during the year under review were as follows:

Balance at June 30, 1952.....		\$2,657,274.25
Increases		
Contributions released on withdrawal of active members.....	\$ 50,932.46	
Contributions released on death of active members.....	16,633.95	
Interest credited to reserve.....	106,603.42	174,169.83
		<u>\$2,831,444.08</u>
Decreases		
Amount applied to the reserve for disability pensions		
Required at June 30, 1953.....	\$1,961,876.29	
Required at June 30, 1952.....	1,607,304.43	
Increase in amount transferred.....	\$ 354,571.86	
Death benefits paid to beneficiaries of matching plan members.....	62,100.85	
Amount transferred on account of re-deposit of members contributions previously withdrawn.....	4,532.28	421,204.99
Balance at June 30, 1953.....		<u>\$2,410,239.09</u>

Undistributed Earnings from Sale of Bonds—\$2,885,741.47

These undistributed earnings represent the unabsorbed portion of profit from sale of bonds in prior years. The reserve was created in accordance with resolutions adopted by the Retirement Board, and is being distributed over the life of the bonds purchased with the proceeds.

The following schedule shows the allocations of profit to date:

Profit realized from sale of bonds

Year ended June 30, 1943.....	\$ 400,421.55	
1944.....	1,418,102.36	
1945.....	3,207,543.26	\$5,026,066.97
Profit applied for nine years ended June 30, 1952.....		1,699,298.05
Balance undistributed at June 30, 1952.....		3,126,768.92
Profit applied for year ended June 30, 1953.....		241,027.45
Balance undistributed at June 30, 1953.....		<u>\$2,885,741.47</u>

Contingency Reserve Against Adverse Experience—\$3,519,510.90

This reserve represents interest earned on investments in excess of the amount allocated to all accumulated contributions accounts and reserve accounts at the rates established by the Retirement Board. Also included in this account are accumulated profits of \$2,140,325.50 from the sale of bonds in prior years.

This reserve was established to meet possible deficiencies in interest of future years, losses on investments, and other contingencies, as approved by the Retirement Board at their meeting of December 1, 1948.

Changes in this account during the year under review were as follows:

Balance at June 30, 1952.....		\$2,917,749.52
Bond interest earned.....	\$3,182,649.71	
Prior years' profit on sale of bonds applied during the year.....	241,027.45	
Interest earned on City and County of San Francisco balance....	1,829.82	
Other income and adjustments.....	503.79	3,426,010.77
Total.....		\$6,343,760.29
Less Interest credits to all accumulated contributions and reserves.....		2,824,249.39
Balance at June 30, 1953.....		<u>\$3,519,510.90</u>

EXHIBIT A

BOND INVESTMENTS AT AMORTIZED
VALUE, SCHEDULE A 1

EXHIBIT B
CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CHANGES IN EQUITIES
FOR YEAR ENDED JUNE 30, 1953

MEMBERS' CONTRIBUTIONS		Total equity additions (forward)		\$ 24,454,533.57
Normal		DISTRIBUTIONS		
General	\$5,381,402.03	Allowances and benefits paid		
Police	382,679.61	From members' reserves	\$1,222,799.04	
Fire	449,445.23	From City and County of San Francisco reserves	2,648,330.64	
Additional		From City and County of San Francisco current payments	3,568,842.10	\$ 7,439,971.78
Redeposits of withdrawn contributions		Monthly death benefit installments		1,455.00
		Accumulated contributions withdrawn		917,735.07
CITY AND COUNTY OF SAN FRANCISCO REGULAR CONTRIBUTIONS		ADMINISTRATIVE EXPENSES PAID (CONTRA)		
Current service reserves		COMPENSATION COSTS INCURRED (CONTRA)		
General	\$7,588,575.54	Weekly benefits	\$ 205,626.69	
Police	2,094,348.89	Medical expenses	193,600.10	
Fire	1,087,728.54	Premiums	2,948.85	
Current service benefits		Administrative expenses	19,670.00	\$ 421,845.64
Police	\$ 165,354.61	Less subrogation recoveries and refunds from special funds		236,963.73
Fire	635,451.04			184,881.91
Prior service benefits		EXCESS OF CURRENT YEAR CHARGES OVER TAX APPROPRIATION RECEIVED		
General	\$ 770,612.91			
Police	790,454.59			
Fire	1,208,798.77			
DEATH BENEFIT DEPOSITED		Total equity reductions		
		EXCESS OF EQUITY ADDITIONS OVER REDUCTIONS		
Income		EQUITIES AT JUNE 30, 1952		
Bond interest earned	\$3,182,649.71	EQUITIES AT JUNE 30, 1953, EXHIBIT A		
Other	1,000.00	Death benefits on deposit		\$ 32,396.49
		Present value of current service benefits granted		31,010,010.70
CITY AND COUNTY OF SAN FRANCISCO OTHER CONTRIBUTIONS		Accumulated contributions		63,710,000.31
		Unallocated tax appropriations		1,322,445.85
		Other reserves		8,053,914.66
		Total		\$1,010,000.40
		Total		\$24,454,533.57

SCHEDULE A 1
CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
BOND INVESTMENTS
AT JUNE 30, 1953

	Par Value	Amortized Value
United States Government.....	\$ 63,545,000.00	\$ 63,766,416.71
California municipalities, school districts, and other divisions.....	8,000,975.00	7,757,622.37
Municipalities other than California.....	3,182,000.00	3,384,820.66
Railroads.....	330,000.00	328,926.96
Railroad equipment trusts.....	11,423,000.00	11,235,521.30
Railroad terminals.....	452,000.00	446,599.84
Public utilities.....	39,021,000.00	39,399,295.89
Total.....	<u>\$125,953,975.00</u>	<u>\$126,319,203.73</u>

Treasurer's Office



REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1953

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

TREASURER'S OFFICE

REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1953

September 29, 1953

Mr. Harry D. Kist
Controller
City and County of San Francisco
Dear Sir:

In accordance with your instructions and pursuant to provisions of Charter Section 66, an examination was made of the accounts of the Treasurer's Office for the fiscal year ended June 30, 1953.

Mr. David F. Supple, Grand Jury Statistician, participated in this examination.

As directed by you, two reports have been prepared of this examination, as follows:

- (1) One report for publication in the Controller's Annual Report for the fiscal year ended June 30, 1953, the text of which follows.
- (2) A more detailed report hereinafter referred to as the "Detailed Report", substantially identical with the above, supplemented by detailed exhibits. Copies of this report were distributed to City and County Officials, the Grand Jury, the press and certified public accounting firms engaged this year by the City and County of San Francisco.

AUTHORITY

The operations of the Treasurer's Office are governed by the provisions of the General Laws of the State of California, the City and County Charter, and ordinances and resolutions of the Board of Supervisors.

Laws governing the operation of the Treasurer's Office are cited or quoted in applicable sections of this report.

SCOPE OF EXAMINATION

An examination was made of the accounts and records maintained by the Treasurer, including verification of the money and securities received and disbursed during the fiscal year and charged to the Treasurer as at June 30, 1953, as hereinafter reported. In view of the existing methods of internal check and continuous audits of receipts and disbursements, maintained between the offices of the Treasurer and Controller, a detailed audit thereof was not duplicated in this assignment.

Cash on hand was verified June 30, 1953, by count. Cash in banks was reconciled with the Treasurer's records and confirmed direct to this office by the various depositories.

Securities and other assets in the custody of the Treasurer on June 30, 1953, were verified as hereinafter reported.

Revenues and expenditures in connection with the operations of the Treasurer's office during the fiscal year were verified and confirmed against the Controller's records.

Tax and portland cement tags in possession of the Treasurer were in agreement with the tags cleared to the Treasurer by the Controller's Revenue Division.

The Treasurer's office is the depository of funds of the Islais Creek Reclamation District. An examination of the records of the District was not included in this assignment.

EXAMINATION

The Treasurer's accountability for cash and securities as at June 30, 1953, compared with June 30, 1952 accountability of \$320,431,577.67, summarized as follows:

	June 30, 1953	June 30, 1952
Cash and Cash Items.....	\$ 92,839,594.19	\$ 99,895,827.17
Securities at Par Value.....	239,992,175.00	220,535,752.50
Other Deposits.....	39.00	39.00
Total.....	\$332,831,808.19	\$320,431,577.67

Cash and cash items totaling \$92,839,594.19, consisting of cash on hand, cash in banks, and other items representing cash at the close of business June 30, 1953, were in agreement with the total charged to the Treasurer by the Controller on that date, as indicated in the following comparative summary:

	June 30, 1953	June 30, 1952
Cash and Cash Items on Hand.....	\$ 1,335,663.74	\$ 977,626.48
Cash in Banks.....	90,594,501.97	98,187,175.87
United States Bonds (Par Value).....	108,900.00	91,830.00
Total Verified as at June 30, 1953.....	\$ 92,039,065.71	99,259,952.35
Deposits Received After June 30th, and verified as applied to the fiscal year under review.....	800,528.48	635,871.82
Total, Per Treasurer and Controller June 30th.....	\$ 92,839,594.19(1)	\$ 99,895,827.17

(1) The above \$92,839,594.19 was reconciled with Controller's Available Cash of \$84,416,891.02, and the outstanding items of \$8,422,703.17 consist of:

	General City	Public Service Enterprises	Total
Warrants Outstanding.....	\$6,590,099.11	\$ 1,663,138.81	\$ 8,253,237.92
Matured and Unpaid Bonds.....	10,000.00	57,200.00	67,200.00
Matured and Unpaid Bond Coupons.....	16,010.25	86,255.00	102,265.25
Totals (Per Controller).....	\$6,616,109.36	\$ 1,806,593.81	\$ 8,422,703.17

CASH AND CASH ITEMS ON HAND \$1,335,663.74

The \$1,335,663.74 consisted of:

Item	Amount	Audit Comment
Coin and Currency	\$ 666,321.75	Verified by count.
Checks on Hand	669,166.95	Appeared in order; deposited in bank on 7-1-53 per deposit receipts.
Due From Clearing House	31.50	An overpayment adjusted on 7-1-53.
Special Deposit (Health Service System)	143.54	Redeposited to System's Account in Bank of America on 7-1-53.
Total	\$1,335,663.74	

CASH IN BANKS—\$90,594,501.97

Cash confirmed directly to be on deposit at the close of business June 30, 1953, in the total of \$91,562,191.06, was reconciled with balances reflected on the Treasurer's records in the total of \$90,594,501.97, consisting of \$52,880,000.00 in Inactive accounts, and \$37,714,501.97 in Active accounts, in banks as follows:

Bank	Deposits		Total	Per Cent
	Inactive	Active		
American Trust Co.	\$ 4,000,000.00	\$ 3,654,840.34	\$ 7,654,840.34	8.45%
Anglo-Calif. National Bank	7,375,000.00	4,800,844.46	12,175,844.46	13.44%
Bank of America	26,355,000.00	14,140,948.38	40,495,948.38	44.71%
Bank of Canton	500,000.00	500,000.00	1,000,000.00	1.10%
Bank of California	4,250,000.00	4,250,000.00	8,500,000.00	9.38%
Bank of Montreal	500,000.00	500,000.00	1,000,000.00	1.10%
Bank of Tokyo	250,000.00	250,000.00	500,000.00	.55%
Canadian Bank of Commerce	650,000.00	650,000.00	1,300,000.00	1.43%
Crocker First National Bank	1,500,000.00	1,000,000.00	2,500,000.00	2.76%
Pacific National Bank	750,000.00	750,000.00	1,500,000.00	1.66%
San Francisco Bank	2,500,000.00	3,000,000.00	5,500,000.00	6.07%
Sumitomo Bank	250,000.00	250,000.00	500,000.00	.55%
Wells Fargo Bank & Union Trust	4,000,000.00	3,967,868.79	7,967,868.79	8.80%
Totals	\$52,880,000.00	\$37,714,501.97	\$90,594,501.97	100.00%
Ratio of Deposits	58.37%	41.63%	100.00%	

Resolution 3469 of the Board of Supervisors, adopted August 16, 1947, authorizes the Treasurer to enter into the necessary agreements with the banks, as required by law, for the deposit of funds under his jurisdiction, and to determine the amount that shall be deposited in either active and inactive accounts.

Inactive accounts in the total of \$52,880,000.00 are represented by Certificates of Deposit, in agreement with the Treasurer's ledger accounts and the banks' confirmations. Interest earnings on inactive accounts during 1952-1953 were at the rate of 1% on 30 days' notice and 1¼% on 90 days' notice, and hereinafter discussed under "Revenues." All inactive deposit accounts are maintained in compliance with Government Code Section 53643, which reads:

"53643. Term deposits: Maximum term. The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depository. The term shall not exceed one year."

The Active balances of \$37,714,501.97 were reconciled with \$38,682,191.06 confirmed to be on deposit by the banks. The difference of \$967,689.09 consisted of currently dated outstanding items, except one check of \$50.00 dated December 20, 1944, covering a refund of Municipal Court Bail. City Attorney's opinion of December 1, 1949, indicates that this item may not be cleared from the Treasurer's records for a period of 10 years, pursuant to provisions of Political Code Section 4087B.

The amounts on deposit with the banks as at June 30, 1953, are within the limitation specified in Government Code Section 53638, which reads:

"53638. Maximum deposit. The deposit shall not exceed the paid-up capital, exclusive of reserve and surplus, of any depository."

Exhibit A-1 of "Detailed Report" reflects deposits of \$91,562,191.06, and the market value (\$111,002,345.98) and face value (\$113,563,000.00) of related collateral securities, which are hereinafter separately discussed.

UNITED STATES BONDS (BAIL DEPOSITS)—\$108,900.00

United States Bonds having a par value of \$108,900.00, representing deposits with the Superior and Municipal Courts as bail, agreed with the amount charged to the Treasurer per Comptroller's records. Of this amount, Court Orders for the release of \$7,050.00 par value of the bonds, representing 33 deposits, were validated by the Comptroller for release or forfeiture, but were not presented to the Treasurer for payment up to June 30, 1953, including 9 deposits validated for release prior to June 30, 1949.

DEPOSITS AFTER JUNE 30, 1953—\$800,528.48

The \$800,528.48 represents collections by various City and County departments pertaining to transactions of the fiscal year 1952-1953, which were deposited with the Treasurer in July, 1953, as follows:

July 1, 1953	\$760,045.79
July 2, 1953	10,869.75
July 3, 1953	29,612.94
	<u>\$800,528.48</u>

TREASURER'S CASH AND CASH ITEMS — \$92,839,594.19

The Treasurer's cash and cash items in the total of \$92,839,594.19 were detailed by individual funds and reconciled as to transactions for the fiscal year 1952-1953. A comparative summary by fund classifications follows:

CURRENT FUNDS:

	June 30, 1953	June 30, 1952
General City Funds.....	\$33,048,559.50-(1)	\$36,660,971.34-(1)
Public Service Enterprises.....	8,853,391.05	6,970,412.11
General City-Bond Interest Funds.....	16,010.25	35,159.13
Public Service Enterprises—Bond Interest Funds.....	861,255.00	912,061.75
General City-Bond Redemption Funds.....	10,000.00	3,000.00
Public Service Enterprises-Bond Redemption Funds..	2,057,200.00	2,072,000.00
TOTAL CURRENT FUNDS	\$44,846,415.80	\$46,653,604.33

CAPITAL FUNDS:

General City Funds.....	20,971,793.75	25,276,356.19
Public Service Enterprises.....	20,247,166.28	19,980,511.94
TOTAL CAPITAL FUNDS.....	41,218,960.03	45,256,868.13

SPECIAL AND TRUST FUNDS:

Private Trusts	1,929,900.13	1,714,320.06
Public Trusts	3,978,454.41	5,545,823.78
Assessment and Redemption Funds.....	12,343.55	12,343.55
Agency Funds	853,520.27	712,666.32
TOTAL SPECIAL AND TRUST FUNDS.....	6,774,218.36	7,985,333.71
TOTALS.....	\$92,839,594.19	\$99,895,826.17

(1)—Includes deficits in Auditorium Fund \$167,930.42, Firemen's Relief and Pension Fund \$171,332.32, and Police Relief and Pension Fund \$103,235.58, which were created prior to the adoption of the present Charter, effective January 8, 1932.

SECURITIES — PAR VALUE — \$239,992,214.00

Securities in the custody of the Treasurer were examined and verified as hereinafter reported. All securities as summarized below, except collateral securities deposited by banks, are held in the joint custody of the Treasurer and the Controller. The total par value of securities charged to the Treasurer as at June 30, 1953, is compared with the Controller's book values, as follows:

CHARGED BY THE CONTROLLER

BONDS—

	Treasurer's Par Value	Controller's Book Value
Employees' Retirement Fund	\$125,953,975.00	\$126,319,203.73
Bequest and Trust Funds	361,000.00	362,289.38
Deposits on Leases	112,750.00	112,750.00
Miscellaneous	1,450.00	1,450.00
	<u>126,429,175.00</u>	<u>126,795,693.11</u>

CORPORATE STOCK—

Bequest Funds	39.00	2,094.25
	<u>\$126,429,214.00</u>	<u>\$126,797,787.36</u>

NOT CHARGED BY THE CONTROLLER

	Par Value	Market Value
Collateral Securities (Bonds)	\$113,563,000.00	\$111,052,845.98

TOTAL SECURITIES ACCOUNTED FOR BY

THE TREASURER, JUNE 30, 1953.....	<u>\$239,992,214.00</u>	<u>\$237,850,633.34</u>
-----------------------------------	-------------------------	-------------------------

Employees' Retirement Fund—Par Value Bonds—\$125,953,975.00

Verification of bonds in the above amount and coupons attached thereto was made by physical count as at June 30, 1953, in conjunction with representatives of Farquhar and Heimbucher, Certified Public Accountants, engaged for this year's audit of the Employees' Retirement System.

Pursuant to the Controller's instructions dated August 15, 1940, bonds and coupons maturing during the fiscal year were examined and released by the Controller's Division of Accounts and reports to the treasurer for collection. Reports reflecting monthly collections were prepared by the Controller's Division of Accounts and Reports, and transmitted to the Employees' Retirement Board, as requested in memorandum dated August 6, 1933, from Mr. Ralph Nelson, then Secretary-Actuary.

The total par value of \$125,953,975.00 of bonds, on hand with the Treasurer, was confirmed by the Employees' Retirement System, and in agreement with the Controller's Security Ledger Accounts.

Transactions during the fiscal year 1952-1953 are summarized at par values from the Controller's records as follows:

	Par Value Bonds
Bonds on hand June 30, 1953, per prior annual audit report	\$108,674,462.50
Add: Purchased during 1952-1953.	17,437,000.00
	<u>126,111,462.50</u>
Less: Bonds sold, called or matured in 1952-1953	157,487.50
Balance on hand June 30, 1953.	<u>\$125,953,975.00</u>

Bequest and Trust Funds—\$361,000.00 Par Value Bonds

The above bonds with unmatured interest coupons attached were examined and verified with the Controller's records.

The status of Bequest and Trust Funds has not changed during the fiscal year. The addition of interest on the above bonds is verified currently by the Controller's Division of Accounts and Reports; the verification was test checked for the purpose of this audit.

Deposit on Leases—\$112,750.00 Par Value Bonds

Security on various leases of City and County property is represented by deposits of U. S. Treasury Bonds, par value of \$107,750.00, and \$5,000.00 par value 1945—San Francisco Airport Bonds. The deposits conform to provisions of related leases and amounts reflected on the Controller's records.

Miscellaneous Deposits—\$1,450.00—U. S. Savings Bonds

The above represents deposits of U. S. Savings Bonds, face value \$1,450.00, with the Treasurer for safekeeping by the following departments:

		AUTHORITY
County Clerk—Estate of Henry J. Byrne.....	\$1,425.00	Sup. Ct. Action 396679
Park and Recreation—North Beach Playground.....	25.00	Bd. of Sup. Res. 12022
Total (In Agreement with Controller's Book Value)	<u>\$1,450.00</u>	

Collateral Securities—Par Value \$113,563,000.00

Collateral Securities, with unmatured interest coupons attached, on hand in the Treasurer's vault, June 30, 1953, were examined and verified by direct confirmation. The total par value of \$113,563,000.00 was in agreement with the Treasurer's Security Register and bank ledgers. These securities consisted of Federal, State or other Government Bonds of the type required by Government Code Section 53651; and were approved by the Treasurer and the City Attorney, in accordance with Government Code Section 53655.

The depositing banks certified direct to the Controller that the collateral securities had a market value of \$111,052,845.98 at June 30, 1953, to secure the \$91,562,191.06 on deposit on that date. The \$111,052,845.98 was at least 10 per cent in excess of deposits which did not exceed the face value of the collateral, in conformity with Government Code Section 53657.

The individual balances on deposit in banks, the par and market value of collateral securities, and the percentage of market value in excess of the bank deposit, are detailed in Exhibit A-1 of "Detailed Report."

Other Deposits—Corporate Stock

Other securities examined consisted of corporate stock on deposit with the Treasurer as part of the assets of the following bequest funds:

August Brunetti Bequest:

	Treasurer's Record (Par Value)	Controller's Book Value
Bank of America N. T. & S. A.—2 Shares Common Stock.....	\$25.00	\$ 36.50
Transamerica Corporation—7 Shares Capital Stock	14.00	57.75

Llewella F. Lewis Bequest:

Smart and Final Company—400 Shares Common Stock	No. Par	2,000.00
Total	<u>\$39.00</u>	<u>\$2,094.25</u>

Other Miscellaneous assets and documents in the joint custody vault, having no book value, were examined as detailed in Exhibit A-3 of "Detailed Report."

UNSOLD CITY AND COUNTY BONDS—\$30,910,000.00

Unsold (Unissued) City and County Bonds at June 30, 1953 amounted to \$30,910,000.00, which represents the remainder from issues totaling \$147,490,000.00 authorized by the electorate in amounts and on dates indicated below:

	Total Authorized	SOLD		Unsold June 30, 1953
		Prior to 1952-1953	During 1952-1953	
Authorized Nov. 4, 1947				
Street Improvement	\$ 22,850,000	\$13,900,000	\$ 1,000,000	\$ 7,950,000
Hetch Hetchy Water	25,000,000	23,300,000	1,700,000	.....
Recreation	12,000,000	5,730,000	2,500,000	3,770,000
Off-Street Parking	5,000,000	1,000,000	.....	4,000,000
Authorized June 1, 1948				
Sewage Treatment	15,000,000	12,550,000	.....	2,450,000
Authorized Nov. 2, 1948				
Schools	48,890,000	26,100,000	14,800,000	7,990,000
Authorized Nov. 8, 1949				
Airport	10,000,000	9,000,000	1,000,000	.....
Cherry Valley Dam	4,000,000	1,000,000	3,000,000	.....
Authorized Nov. 4, 1952				
Firehouse	4,750,000	.....	.....	4,750,000
	<u>\$147,490,000</u>	<u>\$92,580,000</u>	<u>\$24,000,000 (1)</u>	<u>\$30,910,000</u>

(1) —Includes \$9,000,000 bonds sold June 29, 1953 by the Board of Supervisors, which bonds were not yet printed at June 30, 1953, and which bonds are dated August 1, 1953.

There were no printed unsold bonds on hand. The amount of \$30,910,000.00 was confirmed against the Controller's records. It is the practice of the Treasurer to order the printing of bonds only when a sale has been authorized by the Board of Supervisors. No evidence was found that the Treasurer deviated from his usual practice in respect to the above issues.

FISCAL AGENT—NEW YORK

Bill No. 1233, Ordinance No. 1184, approved May 20, 1941, designated the National City Bank of New York as the Fiscal Agent of the City and County of San Francisco for the purpose of providing payment in the City of New York, of principal and interest due on bonds issued by the City and County of San Francisco, and provides for the rates of compensation of said fiscal agent.

Transactions reported by the Fiscal Agent during the fiscal year ended June 30, 1953, were reviewed. Bonds and coupons paid and cancelled were verified in detail against the Controller's records and confirmed direct to this office by the National City Bank of New York. Compensation of \$13,252.58, paid in quarterly installments for the year was properly computed as follows:

	Par Value Paid and Cancelled	Compensation	
		Authorized Rates	Earned for 1952-1953
Bonds	\$ 9,983,400.00	1/20 of 1%	\$ 4,991.70
Coupons (206522)	2,699,865.00	4¢ each	8,260.88
	<u>\$12,683,265.00</u>		<u>\$13,252.58 (1)</u>

(1) —Includes \$1,911.13 for the 4th quarter, paid after June 30, 1953.

UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County employees under the payroll allotment plan was authorized by the Board of Supervisors by Resolution No. 2666, adopted June 1, 1942. In addition, bonds were purchased for employees upon the receipt of the full bond purchase price, as authorized by Resolution No. 3786, adopted January 17, 1944.

The total issue value of bonds purchased by the Treasurer for City and County combined during the fiscal year 1952-1953 amounted to \$560,475.00, as compared to \$540,262.50 for the previous year. Receipts on file evidence that all bonds purchased during the fiscal year were delivered to authorized departmental representatives.

Cash on hand June 30, 1953, for the purchase of bonds for future delivery, as shown by the Treasurer's records, amounted to \$36,340.42, which was in agreement with the balance in Controller's Private Trust General Ledger Account "War Bonds." Reconciliation with related appropriation account balance is made monthly by the Controller's Division of Accounts and Reports.

REVENUES AND EXPENDITURES:

Revenues, derived through the operations of the Treasurer's Office, exceeded expenditures and encumbrances for that office by \$482,200.16, for 1952-1953, as compared with the excess of \$191,023.14 for 1951-1952, summarized as follows:

	1952-1953	1951-1952
Revenues:		
Interest Earned on Inactive Bank Deposits.....	\$564,398.07	\$561,932.81
Commission on Inheritance Tax Collections.....	31,733.98	39,202.02
Duplicate "Inheritance Tax Receipt" Fees.....	111.00	89.50
Conscience Money	237.11	534.00
Total Revenues	596,480.16	601,758.33
Expenditures and Encumbrances:		
Per Controller's Appropriation Accounts.....	114,280.00	110,735.19
Revenues in excess of expenditures and encumbrances.....	\$482,200.16	\$491,023.14

Comments relative to items appearing in the above summary follow:

Interest Earned on Inactive Bank Deposits—\$564,398.07

Interest earned in 1952-1953, in the total of \$564,398.07, as recorded by the Treasurer, was in agreement with deposits of interest as recorded by the Controller; computed at rates provided by agreements with depositaries; and on the basis of average daily balances on deposit in inactive accounts, paid quarterly, in accordance with Government Code Section 53645, summarized and compared as follows:

Rates of Interest	Conditions	Interest Received	
		1952-1953	1951-1952
1%	On deposits, callable on 30 days' notice, except the Canton Bank, which required 90 days' notice.....	\$347,509.74	\$375,953.07
1¼%	On deposits callable on 90 days' notice.....	216,888.33	185,979.74
	Totals Earned	\$564,398.07	\$561,932.81

Distribution of the 1952-1953 Interest Earned is compared as follows:

Funds Credited:	1952-1953 Budget Estimates	(Interest Distributed)	
		1952-1953	1951-1952
General Fund.....	\$500,000.00	\$526,102.01	\$529,306.87
Municipal Railway.....	10,000.00	20,090.61	15,226.91
Total Unapportioned Interest.....	510,000.00	546,192.62	544,533.78
Water Operating.....	15,000.00	16,851.77	16,898.22
Islais Creek Reclamation District.....			300.00
State-County Fair.....		1,353.68	
Total Earnings for the Fiscal Year.....	\$525,000.00	\$564,398.07	\$561,932.81

Commissions on Inheritance Tax Collections—\$31,733.98

The inheritance tax commissions of \$31,733.98 covers the 12 months of June 1952 through May 1953 and resulted from settlements with the State during 1952-1953, summarized from the Treasurer's records as follows:

Total Collections		\$3,264,718.15
Less Disbursements:		
Payments to the State	\$3,070,171.31	
Refunds	147,726.23	
Appraiser's Fees	15,086.63	
		<u>\$3,232,984.17</u>
Commissions Earned by Treasurer		<u>\$ 31,733.98</u>

Accounts, maintained by the Treasurer for inheritance tax purposes, are recorded on State Controller's prenumbered forms, and are subject to settlement every two months, and to audit by representatives of the State. Such audit was not duplicated for this report.

The total collections of \$3,264,718.15 were verified against deposits recorded by the Controller's Revenue Division. Payments to the State, Refunds, Appraiser's Fees, and Commissions Earned by the Treasurer were reconciled with expenditures reflected in related Controller's appropriation accounts.

Commissions earned by the Treasurer in the total of \$31,734.00 for 1952-1953, were confirmed direct to this office by the State Controller, and is within the \$40,000.00 maximum commission that may be retained by a treasurer of a county of the second class, as provided in Section 14797 of the Revenue and Taxation Code.

Duplicate Inheritance Tax Receipt Fees, and Safe Deposit Box Examination Fees \$111.00

A fifty cent fee for a "Duplicate Inheritance Tax Receipt," and a one dollar Fee for "Listing Contents of Safe Deposit Box" is charged by the Treasurer in accordance with Sections 14144 and 14346 of the Revenue and Taxation Code. The collection and deposit of these fees is subject to the Controller's prescribed revenue procedure and is currently audited by the Controller's General Office. The deposit of the fees to the General Fund was verified against the Controller's records.

Conscience Money—\$237.11

The \$237.11 represents remittances from unidentified sources, deposited with the Treasurer as conscience money.

Expenditures and Encumbrances—\$114,280.00

Expenditures and encumbrances from appropriations to the Treasurer's office for 1952-1953, totaling \$114,280.00, compare with budgeted appropriations (as modified) of \$115,438.07, summarized from Controller's records as follows:

	Appropriations As Modified	Expenditures and Encumbrances
Permanent Salaries	\$ 96,008.07	\$ 95,683.52
Allowance for Overtime	775.00	755.38
Contractual Services	2,585.00	2,169.07
Fiscal Agent (National City Bank, N. Y.)	13,325.00	13,325.00
Materials and Supplies	2,050.00	1,881.12
Equipment	695.00	465.91
Totals	<u>\$115,438.07</u>	<u>\$114,280.00</u>

Expenditures and encumbrances are currently audited by the Controller's General Office, and such detailed audit was not duplicated for this report.

SURETY BONDS AND INSURANCE

Detail of Surety Bonds and Insurance in force during the fiscal year is reflected in Exhibit E of "Detailed Report."

COMMENT

The records maintained in the Treasurer's office appear to be in order and systematically arranged to furnish the data needed for this examination.

The courtesy and cooperation extended by the Treasurer and his staff during this assignment is gratefully acknowledged.

Respectfully submitted,

GENERAL AUDIT DIVISION

MARTIN W. JUDNICH

B14 Senior Accountant (Field Audits)

TREASURER'S OFFICE
EXHIBIT A
SUMMARY OF CASH, SECURITIES AND OTHER
DEPOSITS

	June 30th	
	1953	1952
CASH AND CASH ITEMS		
Cash and Cash Items on Hand:		
Coin and currency	\$ 666,321.75	\$ 687,418.65
Checks on hand for deposit	669,166.95	289,727.46
Due from Clearing House	31.50	480.37
Special Deposit—Health Service System	143.54	.....
	<u>1,335,663.74</u>	<u>977,626.48</u>
Cash on Deposit in Banks:		
Active Accounts	37,714,501.97	46,362,475.87
Inactive Accounts	52,880,000.00	51,825,000.00
	<u>90,594,501.97</u>	<u>98,187,475.87</u>
Cash Received After June 30th and Applied to Fiscal Year under Review	800,528.48	635,873.82
United States Bonds (Par Value)	108,900.00	94,850.00
Total Cash and Cash Items	<u>\$ 92,839,594.19</u>	<u>\$ 99,895,826.17</u>

SECURITIES

Bonds (Par Value)		
Collateral from Banks	\$113,563,000.00	\$111,409,000.00
Employees' Retirement Fund	125,953,975.00	108,674,462.50
Bequest Funds and Miscellaneous Deposits	347,450.00	346,000.00
Trust Funds	15,000.00	15,000.00
Deposits on Leases	112,750.00	111,250.00
Total Securities	<u>\$239,992,175.00</u>	<u>\$220,555,712.50</u>
Corporate Stock (Other Deposits)		
Bequest Funds	39.00	39.00
Total Securities	<u>\$239,992,214.00</u>	<u>\$220,555,751.50</u>
TOTAL TREASURER'S ACCOUNTABILITY FOR CASH, SECURITIES, AND OTHER DEPOSITS	<u>\$332,831,808.19</u>	<u>\$320,451,577.67</u>

Airport Department

SAN FRANCISCO AIRPORT — SAN MATEO COUNTY



REPORT ON EXAMINATION OF ACCOUNTS

For the Fiscal Year Ended June 30, 1953

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

October 30, 1953

Mr. Harry D. Ross
Controller
City and County of San Francisco

AIRPORT DEPARTMENT
San Francisco Airport — San Mateo County
Examination of Accounts
For the Year Ended June 30, 1953

Dear Sir:

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the financial statements listed below of the San Francisco Airport, San Mateo County. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

Exhibit A—Balance Sheet, June 30, 1953.

Exhibit B—Statement of Surplus for the year ended June 30, 1953.

Exhibit C—Statement of Income and Expense for the years ended June 30, 1953 and June 30, 1952.

Exhibit D—Comparative report of Aircraft Movements and Traffic, including Domestic and International Activities.

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying financial statements present fairly the financial position of the San Francisco Airport at June 30, 1953, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,

NATHAN B. COOPER
Supervisor, Utility Audits

BALANCE SHEET

Fixed Capital in Service (net)—\$36,049,413.65

The table here presented is a condensed summary of the changes during the year in the accounts for fixed capital in service and for accrued depreciation applicable thereto.

	In Service	Accrued Depreciation	Net Book Value
Balance, June 30, 1952.....	\$40,793,541.99	\$5,631,775.61	\$35,161,766.38
Additions and Betterments.....	1,710,350.65	811,347.59(1)	899,003.06
Adjustment of prior years depreciation expense.....		10.26	—10.26
Total.....	\$42,503,892.64	\$6,443,133.46	\$36,060,759.18
Retirements.....	—40,231.63	—32,834.55	—7,397.08
Reimbursement by 1949 Bond Fund of expenditure for assessment on land paid by Operating Fund in 1952-53.....	—3,948.45(2)		—3,948.45
Balance, June 30, 1953.....	\$42,459,712.56	\$6,410,298.91	\$36,049,413.65

(1) Provision for the year charged to operation expenses.

(2) Was included as an addition in Operation Fund for 1951-1952; is now included as addition in 1945 Airport Bond Fund.

Additions and Betterments—\$1,710,350.65

Additions to and betterments of fixed capital in service were financed through the 1945 and 1949 Bond Funds and the Special Aviation Fund, as follows:

Land.....	\$ 7,362.90
Equipment.....	2,909.19 (1)
Landing Area.....	1,172,462.64
Utilities, roads.....	138,482.18
Buildings.....	389,133.74
Total additions and betterments.....	\$1,710,350.65

(1) Special Aviation Fund.

Retirements—\$40,231.63

Retirements were as follows:

	Cost	Accrued Depreciation	Addition and (—) Deduction To Income
Dairy buildings acquired with land purchased from Mills Estate.....	\$32,500.00	\$32,500.00	
Equipment.....	401.94	334.53	(—) 67.39
Land.....	7,329.69		19,602.31
Total.....	\$40,231.63	\$32,834.55	\$19,534.92

Fixed Capital under Construction—5,373,683.40

The projects classified as fixed capital under construction are summarized as follows:

Balance, July 1, 1952		\$2,119,748.66
Additions:		
1945 Bond Fund	\$ 225,172.58	
1949 Bond Fund	167,771.21	
Federal Airport Project	4,568,432.41	4,961,376.20
Total		\$7,081,124.86
Transferred to Fixed Capital in Service		1,707,441.46
Balance, June 30, 1953		<u>\$5,373,683.40</u>

All of the transactions in this account were financed by the 1945 and 1949 Bond Fund and the Federal Airport Project except that charges for interest during construction, which are in relation to the 1945 and 1949 Bond Funds, are allocations of the interest budgeted in the Airport Operating Fund.

The significant construction features in progress were

- Terminal building
- Concourse for the terminal building
- Utility extensions in the terminal building area
- Airmail and air cargo building
- Service building
- Trestles for approach lighting system
- Reconstruction of apron at hangars 1, 2, 3 and 4.

Cash on Deposit with Treasurer—\$8,976,665.98

Cash on deposit with the Treasurer was confirmed by reference to report on examination of accounts of the Treasurer's Office for the fiscal year ended June 30, 1953, by the Controller's Division of General Audits. The composition of the cash balance was:

Operating fund	\$ 295,840.76
Federal airport project fund	5,354,813.36
Special aviation fund	26,209.53
1945 Airport bond fund	1,243,046.55
1949 Airport bond fund	2,053,217.03
1945 Bond interest fund—1¼% Series C	2,125.00
—1½% Series C	487.50
—1% Series E	250.00
1949 Bond interest fund—1¼% Series A	62.50
—1¾% Series B	43.75
—1½% Series D	570.00
Total	<u>\$8,976,665.98</u>

Cash Revolving Fund—\$2,500.00

On June 2, 1953, we reported the verification of the principal of the fund as at May 23, 1953.

Accounts Receivable, Federal Grants—\$518,833.53

The Mayor and Public Utilities Commission have accepted offers by the Federal Government acting through the Administrator of Civil Aeronautics, to grant funds to the City and County of San Francisco for development of the San Francisco Airport in the amount of \$1,532,478 of which \$1,413,644.47 had been received at June 30, 1953.

Accounts Receivable, Revenues Accrued (net)—\$239,814.39

Requests for confirmation were mailed to various debtors with respect to balances included in the above sum; replies received were satisfactory. We did not request confirmation of \$113,073.02 included as accounts receivable because the liability for the payment thereof was disputed by the debtors. All invoices that comprise this sum have been referred to the City Attorney.

San Mateo County.....		\$ 1,852.90
Portion of unrefunded aircraft fuel taxes paid to San Mateo County by State of California.....		
Trans-World Airlines.....		18,379.92
Ramp charges.....	\$11,179.92	
Professional fire protective service.....	7,200.00	
Subject of litigation—U. S. District Court Action No. 30326.....		
United Air Lines.....		13,512.13
Rental of ticket counter space.....	6,312.13	
Professional fire protective service.....	7,200.00	
Western Air Lines.....		72,178.07
Take-off charges—Difference between rates effective Jan. 1, 1951 vs. prior rates.....	60,329.52	
Public address system charges and underpayments for flight operations Sept. 1, 1946—April 30, 1949.....	4,648.55	
Professional fire protective service.....	7,200.00	
Subject of litigation—San Francisco Superior Court Action No. 414510.....		
Pan American Airways, Inc.....		7,200.00
Professional fire protective service.....		
Total.....		<u>\$113,073.02</u>

Changes in the reserve for doubtful accounts during the year were as follows:

Balance June 30, 1952.....	\$18,318.95
Provision for doubtful accounts.....	4,800.00
Collection of accounts previously written off.....	3.78
Total.....	<u>\$23,122.73</u>
Less accounts charged off as uncollectible.....	<u>741.86</u>
Balance June 30, 1953.....	<u>\$22,380.87</u>

Interfund Accounts—\$7,880.79

The amounts due from other municipal departments were confirmed to us by certified public accountants engaged in the examination of the records of the Controller's office.

Materials and Supplies—\$7,839.76

Physical inventory of materials and supplies was taken by Airport employees as at May 25, 1954. We tested the quantities and the mathematical accuracy and the pricing of the inventory.

Commitments—\$5,321,521.14

Commitments represent contracts, purchase orders, work orders and other evidence of encumbrance for which related goods and services have not been received at June 30, 1953. The contra liability is shown under accounts payable-commitments.

Other Deferred Items—\$14,766.82

Other deferred items represents primarily prepaid insurance which was verified by reference to insurance contracts and computation of unexpired premiums at June 30, 1953.

Bonded Debt—\$17,288,000.00

Bonded debt was verified against Controller's records. An account of all Airport bond issues is summarized below:

Issue	Authorized	Authorized and Sold	Redeemed Prior Years	Redeemed 1952-1953	Total Bonded Debt
1933	\$ 260,000	\$ 260,000	\$ 260,000	.....	.....
1938	2,850,000	2,850,000	2,850,000	.....	.....
1945	20,000,000	20,000,000	10,343,000	\$1,108,000	\$ 8,549,000
1949	10,000,000	10,000,000	590,000	671,000	8,739,000
Total	\$33,110,000	\$33,110,000	\$14,043,000	\$1,779,000	\$17,288,000

The outstanding bonds mature serially as follows:

Fiscal Year	Issue		Total
	1945	1949	
1953-54	\$1,208,000	\$ 696,000	\$ 1,904,000
1954-55	1,875,000	254,000	2,129,000
1955-56	1,875,000	254,000	2,129,000
1956-57	2,125,000	254,000	2,379,000
1957-58	174,000	1,534,000	1,708,000
1958-59	174,000	1,534,000	1,708,000
1959-60	174,000	1,534,000	1,708,000
1960-61	174,000	634,000	808,000
1961-62	174,000	409,000	583,000
1962-63	173,000	409,000	582,000
1963-64	173,000	409,000	582,000
1964-65	173,000	409,000	582,000
1965-66	77,000	409,000	486,000
Total	\$8,549,000	\$8,739,000	\$17,288,000

Bond Interest—\$49,536.66

Matured coupons not presented for payment were verified by reference to Controller's records. Accrued interest was verified by computation.

Accounts Payable—\$5,863,635.22

Accounts payable have been verified for prior encumbrance in accordance with the provisions of Charter Section 86.

Interfund Accounts—\$301,435.29

The amounts due to other municipal departments were confirmed to us by certified public accountants engaged in the examination of the records of the Controller's office.

Deferred Credits—\$45,928.63

Deferred credits represent primarily rentals and services billed or paid in advance, unamortized bond premiums, cash collections in connection with telegraph and petroleum agency trusts from the last settlement date in June 1953 to June 30, 1953, claim for unrefunded aircraft fuel taxes, unbilled interdepartmental work orders (estimated expense booked in 1952-1953) and requests for direct payment by the Controller.

Surplus—\$32,964,383.66

The summary of the changes in this account for the fiscal year 1952-1953 shown in Exhibit B is in such detail as to require no further comments.

Contingent Liability

A review of the Controller's claim register and supplemental data indicated the following claims filed against the Airport as unsettled at the date of this report.

Date of Accident	Claimant	Amount Claimed	Date Filed with Controller	Type of Claim
1-11-51	John S. Broome.....(1)	\$ 305.38	3- 8-51	Property damage
6-11-52	Pan American Airways.....	528.64	7-21-52	Property damage
8-15-52	Dorothy T. Nielsen.....(2)	3.35	10- 6-52	Property damage
12- 1-52	Earl Marson.....(3)	973.61	1- 7-53	Property damage
10- 6 to				
12-28-52	Southwest Airways.....(4)	138.29	2-18-53	Damages
12-19-52	Vernic Erickson.....(5)	25,000.00	2-11-53	Personal injury
5-29-53	Don Lochner.....(2)	15.00	7- 1-53	Property damage
6- 1-53	Robert A. Lenihan.....(4)	10,000.00	7- 1-53	Personal injury

- (1) Per Airport's insurance carrier—"Denied"
- (2) Per Airport's insurance carrier—"Pending no claim developed"
- (3) Per Airport's insurance carrier—"City not liable"
- (4) Per Airport's insurance carrier—"Closed—no payment"
- (5) Mrs. Erickson has filed suit; Superior Court Action No. 427286. Case still open.

Insurance carrier was notified of the above cited claims.

Inquiry at the City Attorney's office did not disclose any record of unsettled claims against the Airport other than as indicated above.

Following is disposition of claims which were included as unsettled in our report of the year ended June 30, 1952.

Date of Accident	Claimant	Amount Claimed	Disposition
5-29-50	San Mateo Airport	\$ 329.22	Deputy city attorney considers this claim as closed because claimant had not filed suit within 3 year period prescribed by law.
4-27-51	Lee Grant	150.00	\$84.76 paid for settlement (1)
11-10-51	M. J. Wickersham	3,000.00	\$400.00 paid for settlement (1)
6-17-52	T. R. Mitchell	76.57	\$76.57 paid for settlement (1)

(1) Paid by Airport's insurance carrier.

OPERATIONS

A condensed statement of net income for the year ended June 30, 1953, is set forth below:

Operating revenues:

Air carrier flight operations.....	\$ 340,008.82
Rentals.....	181,356.96
Bulk petroleum deliveries.....	50,657.46
Services, sales, commissions, permits.....	418,468.53
Total	<u>\$ 990,491.77</u>

Operating expenses:

Salaries and wages.....	\$ 365,609.13
Other operating costs.....	144,706.68
Maintenance and repairs.....	48,558.37
Fixed charges, including depreciation.....	887,103.96
Total.....	<u>\$1,445,978.14</u>

Operating loss.....	\$ 455,486.37
Bond interest.....	\$116,542.44
Other income.....	49,693.75
Net loss.....	<u>\$ 522,335.06</u>

The increase in operating revenues stems primarily from the increase in aviation activities. As a result of the increased traffic through the Airport, non-aviation activities and services were generated and/or stimulated.

Included in the revenue above shown is the sum of \$41,422.69 legality for payment of which is disputed by the debtors. Please refer to comments under accounts receivable.

Operating expenses increased over the preceding year principally because of the statutory provisions affecting salaries and wages and pension and retirement allowance related thereto. Personal services comprise in excess of 90% of fire fighting expense.

EXHIBIT A
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
BALANCE SHEET AT JUNE 30, 1953

ASSETS

Fixed Capital:		
In service.....	\$42,459,712.56	
Less reserve for depreciation.....	<u>6,410,298.91</u>	
Net book value.....	\$36,049,413.65	
Under construction.....	<u>5,373,683.40</u>	\$41,423,097.05
Cash:		
On deposit with City and County Treasurer.....	\$ 8,976,665.98	
Revolving Fund.....	<u>2,500.00</u>	8,979,165.98
Accounts Receivable:		
Federal grants.....	\$ 518,833.53	
Revenues accrued and other receivables (net).....	<u>239,814.39</u>	758,647.92
Interfund Accounts:		
Due from general city and county.....	\$ 7,115.59	
Due from other public service enterprises.....	<u>765.20</u>	7,880.79
Deferred Charges:		
Materials and supplies.....	\$ 7,839.76	
Commitments (contra).....	<u>5,321,521.14</u>	
Other deferred items.....	<u>14,766.82</u>	5,344,127.72
Total Assets.....		<u>\$56,512,919.46</u>

LIABILITIES AND SURPLUS

Bonded Debt:		
Maturing within year ending June 30, 1954.....	\$ 1,904,000.00	
Maturing Sept. 1, 1954 through April 1, 1966.....	<u>15,384,000.00</u>	\$17,288,000.00
Bonded Interest:		
Matured coupons not presented for payment.....	\$ 3,538.75	
Accrued, not due.....	<u>45,997.91</u>	49,536.66
Accounts Payable:		
Outstanding warrants.....	\$ 20,749.86	
General creditors.....	<u>589,665.43</u>	
Commitments (contra).....	<u>5,253,219.93</u>	5,863,635.22
Interfund Accounts:		
Due to general city and county.....	\$ 218,271.19	
Due to other public service enterprises.....	<u>14,862.89</u>	
Commitments (contra).....	<u>68,301.21</u>	301,435.29
Deferred Credits.....		<u>15,928.63</u>
Total Liabilities.....		<u>\$23,548,555.80</u>
Surplus—Exhibit B.....		<u>32,964,383.66</u>
Total Liabilities and Surplus.....		<u>\$56,512,919.46</u>

EXHIBIT B
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
SURPLUS
YEAR ENDED JUNE 30, 1953

Surplus, June 30, 1952, annual report of Controller.....		\$31,579,910.11
Add:		
Contributions:		
Ad valorem tax for operating services.....	\$1,604,442.48	
Grants from federal government.....	292,835.00	
State of California—special aviation fund..	9,531.13	1,906,808.61
Total		<u>\$33,486,718.72</u>
Deduct:		
Net Loss—fiscal year 1952-1953.....		<u>522,335.06</u>
Surplus, June 30, 1953,		<u><u>\$32,964,383.66</u></u>

EXHIBIT C
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1953 AND JUNE 30, 1952

	June 30, 1953	June 30, 1952
OPERATING REVENUES:		
Air Carrier Flight Operations:		
Scheduled.....	\$ 316,802.51	\$ 271,669.89
Scheduled feeder lines.....	18,771.22	14,127.54
Non-scheduled	4,435.09	1,422.78
Total Air Carrier Flight Operations.....	\$ 340,008.82	\$ 293,517.93
Rentals:		
Ramp area.....	\$ 10,517.29	\$ 10,226.52
Aircraft outdoor storage.....	8,983.30	7,263.66
Airport property		
Unimproved.....	17,735.24	17,088.79
Paved.....	38,946.79	29,594.99
Expansion area.....	2,671.67	2,445.00
Hangars		
Entire hangars.....	58,278.45	55,200.24
Partial hangars.....	3,145.07	867.20
Passenger terminal building—office space.....	24,579.11	22,780.81
Other buildings and structures.....	16,500.04	12,333.36
Total Rentals.....	\$ 181,356.96	\$ 157,800.59
Bulk Petroleum Deliveries:		
Professional fire service.....	\$ 21,200.00	\$ 19,200.00
Rental of tank farm area.....	4,415.13	3,781.80
Wharfage charges.....	24,052.33	19,097.33
Pipe line licenses.....	990.00	990.00
Total Bulk Petroleum Deliveries.....	\$ 50,657.46	\$ 43,069.13
Services, Sales, Commissions and Permits:		
Public address system.....	\$ 11,563.28	\$ 11,529.35
Restaurant, cafe and newsstand.....	85,301.42	70,219.28
Taxi-cab and limousine permits.....	65,146.58	55,387.22
Parking lot.....	98,971.59	69,910.09
U-Drive.....	49,245.59	29,720.43
Telephone commissions.....	9,024.03	8,144.30
Telegraph commissions.....	21,740.50	17,127.50
Sales of petroleum products.....	53,947.45	59,402.42
Shoe shine stand.....	1,136.10	1,179.64
Vending and weighing machines.....	453.04	391.51
Insurance vending machines.....	9,732.49	4,987.82
Travel agency, air service and sales.....	963.70	900.00
Baggage locker commissions.....	3,228.83	2,031.86
Rest Rooms.....	8,013.93	6,556.25
Total Services, Sales, Commissions and Permits.....	\$ 418,468.53	\$ 337,487.67
TOTAL OPERATING REVENUES.....	\$ 990,491.77	\$ 831,875.31

EXHIBIT C (Continued)
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1953 AND JUNE 30, 1952

	June 30, 1953	June 30, 1952
OPERATING EXPENSES:		
Salaries and Wages:		
General and administrative.....	\$ 38,595.91	\$ 37,797.73
Maintenance and operations.....	327,013.22	308,453.15
Total Salaries and Wages.....	<u>\$ 365,609.13</u>	<u>\$ 346,250.88</u>
Other Costs of Operation:		
Travel expenses and local fares.....	\$ 11,606.28	\$ 11,213.01
Freight, express and drayage.....	34.64	39.03
Use of employes' cars—mileage only.....	9.52	36.54
Storage and care of vehicles.....	.75	
Maintenance and care of office equipment.....	433.23	335.24
Maintenance and care of other equipment.....	78.04	158.83
Gas and electricity.....	16,106.48	18,178.41
Telephone and telegraph.....	\$9,202.92	
Less: Extension service charged		
to tenants.....	<u>3,835.37</u>	<u>5,367.55</u>
Postage.....	498.94	489.32
Printing, advertising, etc.....	483.70	926.29
Newspapers and periodicals.....	647.00	162.00
Janitorial and window washing services:		
Contractual.....	1,195.20	1,245.20
Refuse disposal.....	1,027.77	602.55
Professional and special services.....	14,359.97	11,884.56
Miscellaneous and contractual services.....	1,869.40	2,158.82
Operating material and supplies.....	14,555.02	12,791.29
Unallocated charges for use of auto-equipmt. P.U.C.—		
General Office Expense.....	9,470.24	93.05
Fire-fighting expense.....	66,962.95	57,450.17
Total Other Costs of Operation.....	<u>\$ 144,706.68</u>	<u>\$ 124,566.80</u>
Other Costs of Maintenance and Repair:		
Landing area.....	\$ 753.33	\$ 2,049.20
Runways.....	6,021.30	3,077.56
Field lighting equipment.....	1,483.37	518.32
Radio equipment.....	964.80	1,595.28
Hangars.....	297.65	956.84
Administration building.....	2,526.27	2,714.24
Other buildings.....	1,605.51	4,037.29
Automotive equipment.....	12,027.39	8,424.57
Other equipment facilities, furniture and fixtures.....	4,401.22	5,276.19
Parking areas, roads, walks, fences, etc.....	16,899.68	13,430.06
Power distribution system.....	1,577.85	131.32
Total Other Costs Maintenance and Repair.....	<u>\$ 48,558.37</u>	<u>\$ 42,210.87</u>
Fixed Charges:		
Accident compensation—employees.....	\$ 2,558.51	\$ 6,314.72
Automobile insurance.....	1,715.15	1,020.97
Other insurance.....	15,345.49	13,441.53
Pension and retirement allowance.....	43,762.47	38,453.05
Taxes paid.....	\$9,322.28	
Less: Charged to tenants.....	<u>1,792.53</u>	<u>7,529.75</u>
Depreciation.....	811,347.59	832,193.45
Doubtful accounts.....	4,800.00	4,800.00
Injuries and damages.....	45.00	358.10
Total Fixed Charges.....	<u>\$ 887,103.96</u>	<u>\$ 903,915.21</u>
TOTAL OPERATING EXPENSES.....	<u>\$1,445,978.14</u>	<u>\$1,416,943.76</u>
OPERATING LOSS.....	<u>\$ 455,486.37</u>	<u>\$ 585,068.45</u>

EXHIBIT C (Concluded)
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1953 AND JUNE 30, 1952

	June 30, 1953	June 30, 1952
OTHER INCOME NET:		
Resale of electric energy.....	\$ 182,898.53	\$ 162,998.81
Less cost thereof.....	156,291.08	133,158.06
Remainder.....	\$ 26,607.45	\$ 30,840.75
Miscellaneous—Net.....	2,832.63	1,095.11
Total Other Income.....	\$ 29,440.08	\$ 31,936.16
Sub-total.....	\$ 426,046.29	\$ 553,132.29
OTHER EXPENSE:		
1945 and 1949 Airport Bond Interest Expense.....	\$ 116,542.44	\$ 134,091.68
Miscellaneous additions to and deductions from income.....	—20,253.67	15,151.13
Total Other Expense.....	\$ 96,288.77	\$ 149,242.81
NET LOSS.....	\$ 522,335.06	\$ 702,375.10

EXHIBIT D
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
STATISTICS
YEARS ENDED JUNE 30, 1953 AND JUNE 30, 1952

Comparative report of aircraft movements and traffic, including domestic and international activities.

	June 30, 1953	June 30, 1952	Increase Decrease (—)	%
Aircraft arrivals and departures, including extra sections, as reported by the Civil Aeronautics Administration traffic control tower				
Carriers.....	113,360	104,847	8,513	8.1
Itinerant.....	25,820	18,713	7,107	38.0
Local.....	28,314	26,594	1,720	6.5
Totals.....	167,494	150,154	17,340	11.6
Number of passengers, as reported by air carriers:				
On and off.....	1,876,858	1,596,478	280,380	17.6
Through (no stopovers).....	510,479	466,712	43,767	9.4
Totals in and out (1).....	2,387,337	2,063,190	324,147	15.7
Air mail, express and freight, in pounds on and off, as reported by Post Office Dept., Railway Express Agency and various air lines: (1)				
Air mail.....	29,004,176	31,837,156	—2,832,980	—8.9
Express.....	6,154,617	5,641,483	513,134	9.1
Freight.....	38,675,414	36,873,116	1,802,298	4.9
Totals.....	73,834,207	74,351,755	—517,548	—0.7

Note:

(1) Excludes activities of those non-scheduled air carriers which operate only seasonally or which use the San Francisco Airport only intermittently.

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Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1954



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SAN FRANCISCO

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Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1954





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By Touche, Niven, Bailey & Smart

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CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF
CONTROLLER

September 30, 1954.

To His Honor, the Mayor,
and the Honorable Board of Supervisors,
City and County of San Francisco.

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1954, is submitted herewith, as provided by section 65 of the Charter.

The accounts of the Controller were audited by Price Waterhouse & Co., by direction of the Board of Supervisors, in accordance with provisions of section 68 of the Charter.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water Supply and Power Project, by Touche, Niven, Bailey & Smart.

Municipal Railway, by L. H. Penny & Co.

San Francisco School Department, by Lindquist, Von Husen & Joyce.

Employees Retirement System, by Farquhar & Heimbucher.

As prescribed by section 66 of the Charter, audits of the various departments of the City and County were made by the Controller's Audit Staffs. Included herein are the following:

Office of the Treasurer, by Controller's General Audit Staff.

San Francisco Airport, by Controller's Utilities Audit Staff.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

Very truly yours,

HARRY D. ROSS

CONTROLLER

CITY AND COUNTY OF
SAN FRANCISCO

CONTROLLER

Centralized financial planning,
control and management, accounting
auditing and systems.

ORGANIZATION CHART
CONTROLLERS OFFICE

CHIEF ASSISTANT CONTROLLER

GENERAL AUDITS

Monthly audit of Treasurer's Office.
Periodical audits of Departments
System design and installation
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UTILITY AUDITS

Audit-System Design & Installation
Special Investigations-P. U. C. Gen'l.
Office, Bur. of Li. Ht. Pwr., Municipal Ry.
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Supply, and San Francisco Water
Agency, All Fed. Aid Projects

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Audit and preparation of all timecards,
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State and Federal income tax records;
Maintains accounting controls over all
payrolls and all authorized deductions;
preparation of Aid rolls and warrants.

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Interpretation of Law
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ENCUMBRANCES
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Typing,
numbering
signing
and
mailing

PAYROLL RELEASE

PAYROLL RELEASE

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warrants for judgments
and bonds, timecards
(Contr. office) Distribu-
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maintain file for judgments,
power of attorney, "Holds-
"

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Widows Pensions
Feeble Minded
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Revenues
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Disbursements

CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF REVENUES

Fiscal Years 1944-45 to 1953-54

FISCAL YEAR ENDED JUNE 30

	1945	1946	1947	1948	1949	1950 (a)	1951 (a)	1952 (a)	1953 (a)	1954 (a)
Property Taxes and Penalties	\$39,428,735.01	\$41,189,093.18	\$47,214,061.37	\$51,429,241.75	\$60,358,807.60	\$60,699,337	\$66,500,390	\$70,595,833	\$69,852,672	\$76,123,581
Retail Purchase and Use Tax	1,131,087.36	1,189,613.40	1,314,284.17	1,367,328.41	1,467,018.36	1,479,668	1,545,495	1,623,011	1,698,401	1,730,922
Other Taxes and Licenses	628,028.92	1,007,361.11	1,349,743.20	1,294,335.59	1,386,182.88	1,506,803	1,538,434	1,584,934	1,614,163	1,730,380
Court Fines	41,185,451.29	43,386,067.69	49,878,088.74	57,562,567.46	67,877,068.32	68,415,974	74,765,499	79,015,291	78,346,801	85,309,696
Departmental Revenues	2,434,329.90	3,096,519.26	3,774,663.20	4,071,722.14	5,221,205.83	5,383,159	499,076	6,182,217	6,620,108	6,901,796
Interest Earned	17,983.75	22,459.26	29,647.68	37,744.63	38,950.03	418,823	489,384	530,363	522,690	578,404
Rents, S. F. Unified School District	386,169.67	387,863.35	389,311.88	387,650.94	401,066.35	371,262	361,363	338,655	367,265	364,083
Contributions from Water Dept.	1,197,412.00	1,591,935.00	91,200.00	6,500.00	263,786.75	537,093	369,254	382,845	358,985	764,616
Cash Transferred from Capital Funds	3,500.00	8,500.00	91,200.00	6,500.00	263,786.75	537,093	369,254	382,845	358,985	764,616
Cash Transferred from Trust Funds	1,197,412.00	1,591,935.00	91,200.00	6,500.00	263,786.75	537,093	369,254	382,845	358,985	764,616
Housing Authority - In lieu of taxes	359,579.46	86,280.56	332,461.76	69,484.73	51,440.55	91,940	49,493	87,988	134,104	90,099
Miscellaneous	4,399,174.78	5,599,482.19	5,037,279.43	5,027,961.23	6,673,819.59	7,374,664	8,015,338	7,854,639	8,251,594	9,154,399
Revenues through State of California:										
Shared State Taxes:										
Motor Vehicle Fuel Tax	655,936.37	1,264,643.21	1,358,866.20	1,576,501.00	1,576,870.35	1,705,617	1,823,475	1,902,631	1,981,376	1,980,017
Special Road Imp. Fund	436,388.95	673,834.21	774,086.00	1,575,860.21	2,408,476.96	2,207,248	2,308,220	2,250,222	2,321,622	2,269,025
Special Gas Tax Street Imp. Fund	285,947.15	302,352.38	357,422.73	283,421.38	360,431.37	382,973	403,978	425,833	447,929	469,029
Motor Vehicle Registration Fees	968,330.77	1,296,906.81	2,148,312.76	4,043,966.66	4,143,181	4,407,973	4,509,493	4,609,493	4,731,995	4,832,085
Motor Vehicle License Fees	663,075.41	774,712.15	698,111.70	1,268,772	1,264,856.00	1,367,041	1,415,966	1,249,603	1,263,643	1,261,919
Alcohol Beverage License Subsidy				4,620.00						
Miscellaneous		2,510.24								
State and Federal Grants-In-Aid:										
Aid to Blind Children	71,203.91	87,313.25	104,983.67	195,597.25	266,282.53	411,910	569,920	557,906	525,558	517,699
Aid to Neely Children	165,887.05	180,175.72	241,912.02	420,800.14	730,596.62	1,567,352	2,681,619	2,856,288	2,894,867	3,000,146
Aid to Neely Blind	153,305.24	158,346.59	187,872.41	276,242.58	182,873.83	191,972	442,090	451,306	467,457	479,407
Aid to Neely Aged	5,475,202.96	5,278,618.83	5,839,057.74	6,878,562.40	3,883,186.33	4,785,842	11,979,851	11,657,159	11,814,605	11,700,138
Adoption Program							64,000	93,008	116,139	126,815
Inspection Services - Aged and Children										
Tuberculosis Aid Subsidy	81,748.61	170,220.36	21,464.94	21,920.06	26,420.00	28,772	27,544	24,792	27,768	29,284
Aid for Elementary Schools	2,697,702.68	2,698,176.90	2,698,176.90	448,035.61	342,677.82	489,684	523,186	548,583	570,768	599,029
Aid for High Schools	1,925,353.89	1,948,670.71	2,066,500.00	2,066,500.00	2,066,500.00	2,281,299	2,408,179	2,334,120	2,497,614	2,604,387
Aid for City College				600,140.00	600,140.00	600,140.00	572,060	563,240	569,330	586,141
Federal Aid to Schools				24,400.00	27,400.00	27,059	26,577	29,471	31,550	36,387
Child Care Center	315,644.73	231,573.52	806,700.63	780,610.01	599,882.71	496,366	482,511	640,957	823,518	1,055,033
Teachers' Retirement	105,333.29	57,303.49	64,210.32	66,576.43	577,000.00	602,300	498,023	482,905	466,447	410,102
Fire Boat Subsidy	650,212.83	107,359.37	126,663.55	158,203.34	247,553.46	335,794	352,874	683,929	737,547	803,158
Civilian War Assistance	19,316.14	14,183.86	9,710.00	13,745.64	65.00		191,830	198,528	206,424	226,947
Waterfront Expense Subsidy										
Aid for Log Cabin Ranch										
Post War Planning Projects										
Public Health Subsidy										
Recreation Department Subsidy										
California Centennial Commission										
San Francisco Centennial Commission										
Crippled Children Program										
Duane Street Council & Corps										
Total Revenues	14,483,886.28	15,885,324.20	18,270,856.03	26,047,275.23	33,915,871.07	27,440,793.71	36,493,298	38,931,386	39,600,407	42,011,112
Total Revenues	150,068,312.33	164,870,874.08	173,186,224.20	188,677,803.92	198,466,583.98	210,029,731.71	219,278,194.81	228,639,516.60	237,600,407.31	247,011,112

*Does not include amount apportioned to the State Highway Trust Fund

**Deduction

(a) (Cont'd)

CITY AND COUNTY OF SAN FRANCISCO
STATEMENT OF EXPENDITURES

Fiscal Years 1944-45 to 1953-54

FISCAL YEAR ENDED JUNE 30

	1945	1946	1947	1948	1949	1950 (a)	1951 (a)	1952 (a)	1953 (a)	1954 (a)
Departmental Expenditures:										
Capital Government	\$ 4,604,101.27	\$ 5,121,793.30	\$ 6,193,959.93	\$ 6,925,359.92	\$ 7,385,988.85	\$ 7,828,393	\$ 7,789,286	\$ 8,767,034	\$ 8,599,705	\$ 9,385,669
Public Safety	1,649,035.34	1,370,110.94	1,873,382.64	1,749,206.37	1,922,531.04	2,046,438	1,968,438	1,950,737	2,772,634	3,029,109
Highways	1,283,185.36	1,345,930.46	1,842,717.46	1,929,911.11	2,118,572.33	2,141,219	2,169,934	2,569,348	2,957,688	3,269,346
Sanitation and Waste Removal	1,013,415.93	1,071,950.33	1,375,165.57	1,615,711.13	1,892,336.02	2,068,352	2,123,358	2,390,449	2,502,420	2,753,708
Hospitals	3,746,156.85	3,871,672.83	4,726,101.63	5,825,183.39	6,318,117.81	6,601,352	6,696,240	7,761,571	6,478,313	7,107,558
Public Welfare	9,178,855.23	9,054,016.99	10,177,329.89	11,707,740.52	8,995,960.80	10,882,610	20,859,900	20,821,665	22,233,625	22,027,819
Correction	537,241.18	647,779.55	828,720.40	979,878.47	1,008,140.47	1,018,600	1,080,704	1,251,296	1,801,926	1,965,756
Schools	12,499,263.80	12,809,969.37	16,101,288.59	19,136,880.47	21,219,221.03	23,016,066	24,390,045	26,798,540	29,341,754	31,363,509
Liquor	503,405.04	509,678.11	654,835.86	695,766.78	772,213.21	802,652	825,926	923,344	935,314	1,045,452
Recreation	3,131,526.97	3,454,570.99	4,421,776.93	4,737,831.59	5,276,653.58	5,496,062	4,753,800	4,932,813	5,075,479	5,419,246
Total Departmental Expenditures	46,677,509.49	48,402,476.82	58,452,825.60	68,103,337.83	71,102,986.83	76,950,480	88,518,467	95,677,549	101,337,839	108,170,972
Bond Redemptions	2,915,000.00	2,915,000.00	3,115,000.00	3,015,000.00	4,189,000.00	4,639,000	5,098,000	5,383,000	5,540,000	5,654,000
Bond Interest	1,274,056.66	1,152,044.24	1,031,769.30	959,252.78	1,077,821.78	1,298,730	1,335,016	1,367,580	1,447,005	1,618,812
Other Interest	20,583.63	47,048.96	2125.00	.....	.....	.....	.....	.....	.....	.....
Federal Compensation	3,209,339.74	3,919,551.29	4,457,047.00	7,519,358.77	8,985,240.80	10,516,145	10,918,329	11,880,452	12,541,720	13,527,239
Insurance	95,846.47	17,947.98	34,483.47	57,147.97	56,543.48	37,177	79,589	21,749	213,370	125,789
Judgments and Losses .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Support of Public Service Enterprises:										
Hetch Hetchy Project	1,920,207.82	2,079,484.21	6,836,067	.....	.....	.....	.....	.....	.....	.....
Airports	341,688.90	420,332.69	891,489.22	1,504,236.56	2,632,670.00	2,966,290	2,996,780	1,712,594	1,604,442	1,465,459
Municipal Railway .....	.....	.....	.....	.....	2,461,249.14	.....	1,062,032	2,384,117	9,000*	.....
Public Utilities Commission:										
Light, Heat, and Power .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bureau .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Capital Additions From Revenues	1,043,588.06	2,121,018.17	2,733,964.71	2,986,764.38	1,022,824.77	28,679	213,740	65,136	1,812	139,379
Civilian Defense	302,113.94	152,717.60	31,188.55	22,893.96	5,034,158	5,034,158	7,287,801	3,621,951	3,447,108	5,777,715
Assessments, Other Civil Divisions	85,905.48	146,192.85	198,210.00	181,598.36	170,342.08	171,825	106,165	303,405	218,896	201,273
Miscellaneous, net	469,271.83	1,526,953.21	2,432,511.38	733,308.34	1,817,305.93	140,910*	190,383	169,133	99,000	9,000
Total Expenditures	\$58,355,112.02	\$62,900,768.02	\$73,373,778.17	\$85,083,098.95	\$96,919,615.29	\$101,501,574	\$118,090,320	\$122,586,674	\$127,203,977	\$135,730,407

*Denotes Credit.
(a) Cents Omitted.

**CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT**

STATEMENT OF OPERATIONS

Fiscal Years 1944-45 to 1953-54

FISCAL YEAR ENDED JUNE 30

	1945	1946	1947	1948	1949	1950	1951	1952	1953 (a)	1954 (a)
Water Sales	\$8,410,832.59	\$10,040,169.37	\$10,519,351.35	\$10,614,577.04	\$10,932,354.55	\$10,151,099.50	\$10,798,833.90	\$11,351,399.94	\$11,804,318	\$12,133,574
Operating Expenses:										
Provision for Depreciation	988,986.46	979,233.30	888,180.86	891,767.46	889,337.61	906,404.87	940,078.04	948,787.58	970,779	1,071,970
Other Operating Expenses	3,150,174.09	3,166,965.09	6,591,925.78	6,795,039.29	7,333,010.93	6,431,285.62	6,372,332.92	6,512,562.53	6,910,530	7,315,650
	4,139,160.55	4,146,198.39	7,480,106.64	7,686,806.75	8,222,348.54	7,337,690.49	7,312,410.96	7,461,350.11	7,881,309	8,393,620
Profit from Operations	4,271,672.04	5,893,970.98	3,039,244.71	2,927,770.29	2,710,006.01	2,813,409.01	3,486,422.94	3,890,049.83	3,923,009	3,739,954
Other Income	118,098.52	168,944.63	210,773.60	179,915.15	245,593.36	201,651.22	237,246.98	313,604.11	382,030	923,093
	4,389,770.56	6,062,915.61	3,250,018.31	3,107,685.44	2,955,599.37	3,015,060.23	3,723,669.92	4,203,653.94	4,305,039	4,663,047
Other Expenses:										
Interest on Bonded Debt	1,381,823.34	1,314,303.33	1,246,783.33	1,179,263.34	1,111,743.33	1,052,577.44	984,957.50	928,586.17	986,083	914,115
Other	36,563.64	47,637.39	58,501.51	40,027.25	50,879.92	44,439.43	44,874.53	65,148.01	72,538	60,058
	1,418,386.98	1,361,940.72	1,305,284.84	1,219,290.59	1,162,623.25	1,097,016.87	1,029,832.03	993,734.18	1,058,621	974,173
Net Income	\$2,971,383.58	\$ 4,700,974.89	\$ 1,944,733.47	\$ 1,888,394.85	\$ 1,792,976.12	\$ 1,918,043.36	\$ 2,693,837.89	\$ 3,209,919.76	\$ 3,246,418	\$ 3,688,874

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

STATEMENT OF OPERATIONS
Fiscal Years 1944-45 to 1953-54

FISCAL YEAR ENDED JUNE 30

	1945	1946	1947	1948	1949	1950	1951	1952	1953 (a)	1954 (a)
Power Sales	\$8,444,738.44	\$3,058,669.80	\$3,319,004.76	\$3,392,272.27	\$3,390,905.66	\$3,322,439.95	\$3,439,372.12	\$4,009,143.65	\$4,617,981	\$4,289,746
Less P. G. & E. Distribution Commission ..	5,939,609.99	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2,505,128.45	3,058,669.80	3,319,004.76	3,392,272.27	3,390,905.66	3,322,439.95	3,439,372.12	4,009,143.65	4,617,981	4,289,746
Standby Charge and Sale of Water to the S. F. Water Dept	661,277.00	661,277.00	3,731,908.00	3,533,700.00	3,780,804.29	3,588,504.63	3,575,046.00	3,445,250.00	3,545,590	3,545,590
.....	3,166,403.45	3,719,946.80	7,050,912.76	6,925,972.27	7,171,709.95	6,910,944.58	7,014,418.12	7,454,393.65	8,163,571	7,835,336
Operating Expenses:										
Provision for Depreciation	1,647,730.44	1,520,856.59	1,518,809.10	1,514,979.47	1,509,904.71	1,507,862.87	1,696,960.13	1,697,308.11	1,710,305	1,811,945
Other Operating Expenses	575,028.50	1,408,026.83	1,576,200.79	1,869,609.69	1,761,431.01	1,886,543.66	1,824,901.18	2,421,267.67	2,900,321	2,783,817
.....	2,222,758.94	2,928,883.42	3,095,009.89	3,384,589.16	3,271,335.72	3,394,406.53	3,521,861.31	4,118,575.78	4,610,626	4,595,762
Profit from Operations	943,646.51	791,063.38	3,955,902.87	3,541,383.11	3,900,374.23	3,516,538.05	3,492,556.81	3,335,817.87	3,552,945	3,239,574
Other Income	6,060.19	8,975.48	19,065.14	22,833.35	23,435.68	29,455.94	29,175.91	69,512.59	65,315	56,767
.....	949,706.70	800,038.86	3,974,968.01	3,564,216.46	3,923,809.91	3,545,993.99	3,521,732.72	3,405,330.46	3,618,260	3,296,341
Other Expenses:										
Interest on Bonded Debt	2,438,759.37	2,336,295.22	2,233,977.70	2,131,660.21	2,029,342.71	1,927,557.47	1,962,307.62	1,849,954.77	1,787,239	1,706,321
Other .....	.....	116,029.64	87,910.45	.....	.....	.....	.....	2,248.68	2,354	.....
.....	2,438,759.37	2,452,324.86	2,321,888.15	2,131,660.21	2,029,342.71	1,927,557.47	1,962,307.62	1,852,203.45	1,789,593	1,706,321
Net Income	\$1,489,052.67*	\$1,652,285.00*	\$1,653,079.86	\$1,432,556.25	\$1,894,467.20	\$1,618,436.52	\$1,559,425.10	\$1,553,127.01	\$1,828,667	\$1,590,020

*Denotes Loss.
(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL RAILWAY
STATEMENT OF OPERATIONS
Fiscal Years 1944-45 to 1953-54

FISCAL YEAR ENDED JUNE 30

	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954
Revenues	\$15,119,772.51	\$17,444,932.19	\$19,038,755.53	\$18,321,581.91	\$18,592,096.33	\$18,575,307.83	\$18,028,977.29	\$18,242,353.37	\$23,491,980.98	\$22,137,625.17
Operating Expenses:										
Depreciation	826,015.55	1,018,793.44	1,073,837.58	1,087,841.45	1,450,311.34	1,833,451.30	1,710,397.02	1,774,354.44	1,878,593.34	1,814,263.97
Other Operating Expenses	12,161,011.97	15,105,224.56	18,483,636.08	18,539,561.76	19,398,286.27	18,844,625.83	17,827,490.01	19,264,096.72	20,972,373.54	20,867,915.18
	12,987,027.52	16,124,018.00	19,557,473.66	19,627,403.21	20,848,597.61	20,678,077.13	19,537,887.03	21,038,451.16	22,850,966.88	22,682,179.15
Profit from Operations	2,132,744.99	1,320,914.19	518,718.13*	1,305,821.30*	2,256,501.28*	2,102,769.30*	1,508,909.74*	2,796,097.79*	641,014.10	544,353.98*
Other Income	9,527.18	5,359.95	51,678.23	10,519.31	13,064.57	287,177.18	359,890.20	24,243.33	154,071.82	24,498.31
	2,142,272.17	1,326,274.14	467,039.90*	1,295,301.99*	2,243,436.71*	1,815,592.12*	1,149,019.54*	2,771,854.46*	795,085.92	520,055.67*
Other Expenses:										
Interest on Market Street Railway purchase	126,904.11	119,808.08	85,721.02	64,725.99	.....	.....	.....	.....	.....	.....
Interest on Bonded Debt	42,083.33	37,083.33	32,083.34	30,727.50	107,194.79	259,419.92	284,605.13	287,001.45	295,796.52	271,215.08
Other .....	.....	78,085.29	.....	202,926.02	137,716.09	.....	96,784.97	58,471.67	1,320.47	91,202.15
	168,987.44	234,976.70	117,804.36	298,379.51	244,910.88	259,419.92	381,390.10	345,473.12	297,116.99	362,417.23
Net Income	\$ 1,973,284.73	\$ 1,091,297.44	\$ 584,844.26*	\$ 1,593,681.50*	\$ 2,488,347.59*	\$ 2,075,012.04*	\$ 1,530,409.64*	\$ 3,117,327.58*	\$ 497,968.93	\$ 882,473.90*

*Denotes Loss.

CITY AND COUNTY OF SAN FRANCISCO
AIRPORT

STATEMENT OF OPERATIONS
Fiscal Years 1944-45 to 1953-54

	FISCAL YEAR ENDED JUNE 30									
	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954
Revenues:										
Landing Charges	\$ 32,565.00	\$ 48,196.55	\$ 90,375.37	\$118,658.26	\$ 130,101.09	\$ 155,233.76	\$ 213,317.28	\$ 293,517.92	\$ 340,008.82	\$ 422,577.78
Rentals	33,775.55	43,199.02	98,219.64	143,041.93	98,308.75	118,759.03	135,241.60	157,800.59	181,356.96	212,851.71
Other	7,445.96	17,668.14	99,430.73	101,127.58	195,573.44	246,869.66	298,727.32	380,556.80	469,125.99	528,949.11
	73,790.51	109,063.71	288,025.74	362,827.77	423,983.28	520,862.45	647,286.20	831,875.31	990,491.77	1,164,378.60
Operating Expenses:										
Depreciation	209,406.13	214,777.76	434,979.48	434,988.82	638,043.10	648,646.19	823,339.87	832,193.45	811,347.59	718,388.20
Other Operating Expenses	122,568.44	147,634.22	254,921.49	388,833.69	506,176.63	571,061.36	583,435.30	584,750.31	634,630.55	703,119.80
	331,974.57	362,411.98	689,900.97	823,792.51	1,144,219.73	1,219,707.55	1,406,775.17	1,416,943.76	1,445,978.14	1,421,508.00
Loss from Operations	258,184.06	253,348.27	401,875.23	460,964.74	720,236.45	698,845.10	759,488.97	585,068.45	455,486.37	257,129.40
Other Income	10,552.81	12,727.07	18,933.88	25,907.75	30,185.17	25,353.19	33,725.10	31,936.16	29,440.08	59,591.74
Interest on Bonded Debt	247,631.25	240,621.20	382,941.35	435,056.99	690,051.28	673,491.91	725,763.87	553,132.29	426,046.29	197,537.66
Other Expense	20,959.33	16,797.01	13,188.56	29,303.68	106,390.54	87,584.53	120,900.41	134,021.68	116,542.42	99,108.12
	\$268,590.58	\$257,418.21	\$396,129.91	\$464,360.67	\$796,441.82	\$761,076.44	\$849,145.50	\$702,375.10	\$522,335.06	\$481,785.72
Net Loss										

*Denotes Deduction

**CITY AND COUNTY OF SAN FRANCISCO
FOR THE 10 YEAR PERIOD JULY 1, 1944 to JUNE 30, 1954**

	Increase or Decrease			Balances - June 30, 1954		
	Total	Land	Buildings Structures & Improvements	Total	Land	Buildings Structures & Improvements
GENERAL GOVERNMENT						
Civic Center, Incl. City Hall	\$ 817,380.72	\$	\$ 85,098.20	\$ 765,282.52	\$ 9,803,117.96	\$ 2,232,954.63
PUBLIC SAFETY						
Police Dept.	1,991,062.38	56,952.24	1,325,928.98	15,517,682.09	696,900.70	10,103,687.21
Dept. of Electricity	936,195.15	8,164.00	103,305.26	4,165,976.36	763,925.10	2,009,314.88
	68,296.89	-0-	4,633.23	9,125,573.13	111,000.00	728,566.63
ROADWAYS						
Streets, Tunnels, Bridges etc.	32,871,352.39	3,766,816.93	28,957,185.83	96,255,307.91	11,057,896.73	811,950,051.65
Off-Street Parking	18,816.39	850,051.53	51,325.25	901,376.78	128,816.39	171,732.57
	901,376.78	-0-	-0-	57,118,178.57	850,051.53	51,325.25
SANITATION						
Sewers & Sewage Disposal Plants	35,150,551.03	1,671,985.20	33,197,135.04	57,118,178.57	1,760,770.30	55,187,171.15
Street Cleaning Dept.	302,112.53	-0-	-0-	80,112.66	15,000.00	65,112.66
Garbage Incinerator	50,000.00	-0-	-0-	-0-	-0-	-0-
HEALTH CONSERVATION						
Health Center	73,580.40	-0-	19,538.04	54,042.36	1,319,890.36	1,131,193.63
Civic Center Health Bldg.	197,682.09	575.00	735.79	1,319,890.36	158,013.19	908,714.20
Excelsior Health Center	190,000.00	190,000.00	-0-	85,196.04	111,417.50	62,638.18
Other	74,916.08	2,200.00	73,562.71	361,901.70	113,716.00	87,031.51
HOSPITALS						
San Francisco Hospital	728,220.35	1,136.00	326,985.86	1,136,219.31	693,120.97	5,259,720.99
Emergency Hospitals	62,169.26	-0-	-0-	304,271.23	10,999.70	82,869.15
CHARITIES						
Laguna Honda Home	292,537.20	4,937.85	139,371.19	5,339,169.61	25,062.15	4,583,956.60
S.F. Welfare Dept.	272,139.57	137,500.00	162,500.00	385,769.18	137,500.00	1,082,500.00
CORRECTIONS						
County Jail	16,870.01	-0-	-0-	867,911.12	38,156.52	800,255.01
San Jose Detention Home - Old	77,829.65	-0-	8,766.98	311,925.87	10,310.00	219,191.19
Youth Guidance Center	41,311,873.31	50,400.00	67,370.27	41,311,873.31	50,400.00	4,197,103.04
Juvenile Log Cabin Ranch	150,592.73	-0-	131,235.28	207,383.35	25,110.09	152,915.61
SCHOOLS						
44,512,753.91	44,124,331.10	32,894,081.23	4,191,311.58	93,285,278.92	111,213,981.90	70,861,005.98
LIBRARIES						
162,372.93	7,881.13	366,900.25	77,591.55	3,293,351.12	1,600,591.13	1,684,372.68
RECREATION						
Playgrounds & Swimming Pools	5,919,266.19	713,752.11	4,912,795.32	10,590,226.39	3,186,271.19	6,667,729.59
Museums, Art Galleries etc.	365,176.73	-0-	210,203.56	1,688,013.21	1,798,187.20	1,319,241.06
Park Memorial & Opera House	10,121.59	-0-	1,642.21	2,071,860.87	290,153,179.09	4,958,503.17
Parks & Squares	35,465.00	576,137.19	1,316,181.11	2,071,860.87	701,137.00	1,552,906.81
Auditorium	616,811.16	8,175.00	621,986.16	1,764,131.82	715,205.18	1,018,205.18
Lease Stadium	269,277.67	125,822.68	111,151.99	1,051,391.22	222,831.18	830,560.71
UTILITIES						
Central Warehouse & Corporation Yard	716,169.79	65,022.16	651,387.13	1,004,680.00	728,995.53	769,271.02
Retirement System	20,211.76	1,525.00	4,000.00	1,004,680.00	1,525.00	706.76
Miscellaneous	371,210.20	9,959.15	231,777.82	718,015.18	210,916.51	285,136.19
Total	8,112,178,180.39	112,1495,160.03	11,100,502,183.23	89,150,407.13	859,899,136.95	871,187,526.63

CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTIES, BY SOURCE OF FUNDS
FOR THE 10 YEAR PERIOD JULY 1, 1944 to JUNE 30, 1954

Source of Funds:	Total	Land	Buildings Structures & Improvements	Equipment
Current Funds:				
General Fund	\$ 10,426,939.97	\$ 229,886.31	\$ 5,755,544.98	\$4,231,568.68
Recreation and Park	3,193,516.47	1,132,464.56	1,639,926.30	421,128.61
Library	464,257.85	16,666.88	366,900.25	77,690.72
Mar Memorial	12,858.11		10,358.16	2,499.95
Maritime Museum	84,161.45		12,166.42	6,000.00
de Tolomeo Memorial	273,311.61		10,140.51	10,213.10
Special Road Improvement	6,220,239.37	755,857.70	5,243,471.04	220,900.63
Special Gas Tax Street Improvement	7,914,315.65	2,261,083.52	5,644,147.51	12,004.66
San Francisco Unified School District	8,104,369.22	2,728,444.57	2,378,146.12	2,996,787.53
Special Accumulative Building Fund - Schools	1,012,559.91	522,353.21	490,206.70	
Child Care Centers	8,927.98			8,927.98
Total	37,484,047.62	7,646,690.75	21,734,260.99	8,103,095.88
Capital Funds:				
Real Property, General City	949,662.15*	749,662.59*	199,989.56*	
Real Property, S.F.U.S.D.	18,283.20*	209,364.87	227,648.07*	
1927 Boulevard Bond Fund	135,884.57	3,978.98*	139,863.55	
1929 Sewers Bond Fund	6,850.00		6,850.00	
1929 Hospitals Bond Fund	1,051.65			1,051.65
1931 Parks & Squares Bond Fund	2,159.58			
1931 Severe Bond Fund	30.00	30.00		
1931 Hospitals Bond Fund	1,212.97		1,354.55	
1942 Hospitals Bond Fund	112,712.97	4,545.00	8,009.82*	
1944 Sewers Bond Fund	20,042,770.39	1,646,891.62	18,421,952.76	109,348.15*
1944-45 Jurelle Home & Court Bond Fund	14,240,967.56		4,183,449.26	3,925.59
1947 Street Improvement Bond Fund	14,976,428.41	303,362.72	14,669,798.84	57,518.30
1947 Recreation Bond Fund	6,525,709.87	924,780.17	5,442,713.38	3,266.85
1948 Schools Bond Fund	32,365,281.97	2,700,100.00	30,453,362.48	156,246.32
1948 Sewage Treatment Bond Fund	13,096,544.22	55,569.53	13,062,794.48	1,191,357.69
1948 Child Care Building Bond Fund	1,000,000.00	86,748.53	3,348,464.45	
1952 Playhouse Bond Fund	444,489.73	10,300.00	434,189.73	46,635.64
Miscellaneous	47,597.80*	47,597.80*		
Total	91,421,753.15	4,094,177.72	86,186,770.95	1,345,804.19
Trust Funds:				
State Highway Trust	3,217,447.85	634,096.56	2,583,351.29	
Retirement System	20,231.76	15,525.00	4,000.00	706.76
Sigmond Stern - Donation	15,000.00	15,000.00		
Metropolitan Life Insurance Co. - Donation	20,000.00	20,000.00		
Total	3,272,679.61	684,621.56	2,587,351.29	706.76
Total Additions	\$132,373,480.39	\$12,425,490.03	\$110,592,303.23	\$9,450,607.13

*Denotes Decrease

CITY AND COUNTY OF SAN FRANCISCO
ASSESSMENT ROLLS
Fiscal Years 1944-45 to 1954-55

Fiscal Year	Roll	Assessed By	Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Transfer Assessors Value Subject to City & Co. Ad Valorem Rate	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55
1944-45	Unsecured - City and County Assessor....				92,459,287		92,459,287	4.1	270,363,081	488,567,520								
	Secured - City and County Assessor.....		296,176,585	366,358,175	7,729,916	7,536,645	662,428,031	4.69	1,740,580	635,151,000								
	Secured - State Board of Equalization.....		14,344,980	41,092,340	32,916,780		88,354,100	4.69	80,018,150	635,151,000								
	Total.....		\$310,521,565	\$407,450,515	\$133,105,983	\$ 7,636,645	\$ 843,441,418		\$349,029,431	\$1,192,869,520								
1945-46	Unsecured - City and County Assessor....				98,182,638		98,182,638	4.69	306,612,950	464,790,056								
	Secured - City and County Assessor.....		295,953,215	371,683,405	5,784,172	8,684,634	664,836,158	4.8	11,682,189	635,151,000								
	Secured - State Board of Equalization.....		11,365,540	40,280,850	31,957,590		83,604,380	4.83	52,758,150	635,151,000								
	Total.....		\$307,318,855	\$411,964,255	\$136,024,400	\$ 8,684,634	\$ 846,622,876		\$370,059,289	\$1,295,091,056								
1946-47	Unsecured - City and County Assessor....				110,180,654		110,180,654	4.83	291,963,080	492,140,790								
	Secured - City and County Assessor.....		297,150,419	379,741,290	5,517,536	16,967,838	665,441,407	5.55	9,112,920	635,151,000								
	Secured - State Board of Equalization.....		11,291,570	41,736,690	32,055,820		85,084,080	5.55	62,005,210	635,151,000								
	Total.....		\$308,441,989	\$421,477,980	\$147,754,010	\$16,967,838	\$ 860,706,141		\$363,081,190	\$1,295,091,056								
1947-48	Unsecured - City and County Assessor....				150,379,489	4,464,748	145,914,741	5.55	328,391,141	474,000,000								
	Secured - City and County Assessor.....		304,975,992	403,718,630	4,811,461	34,899,392	678,606,691	5.62	7,760,526	635,151,000								
	Secured - State Board of Equalization.....		11,441,450	43,692,360	33,962,940		89,095,750	5.62	32,033,180	635,151,000								
	Total.....		\$316,417,442	\$447,410,990	\$189,153,890	\$39,364,140	\$ 913,618,182		\$368,191,447	\$1,295,091,056								
1948-49	Unsecured - City and County Assessor....				176,254,123	2,170,550	174,083,573	5.62	388,793,008	525,870,000								
	Secured - City and County Assessor.....		333,507,884	426,062,240	7,052,890	37,269,790	729,353,224	6.09	8,099,591	635,151,000								
	Secured - State Board of Equalization.....		11,566,170	49,385,230	35,695,010		96,646,410	6.09	33,209,320	635,151,000								
	Total.....		\$345,074,054	\$475,447,470	\$219,002,023	\$39,440,340	\$1,000,083,207		\$430,099,919	\$1,431,111,000								
1949-50	Unsecured - City and County Assessor....				187,081,075	2,368,931	184,712,144	6.09	413,302,218	568,000,000								
	Secured - City and County Assessor.....		338,327,522	447,097,465	7,956,786	39,773,711	753,648,062	5.66	10,443,329	635,151,000								
	Secured - State Board of Equalization.....		11,634,050	60,688,540	40,147,520		112,470,110	5.66	34,463,430	635,151,000								
	Total.....		\$349,961,572	\$507,786,005	\$235,225,381	\$42,142,642	\$1,050,830,316		\$458,228,977	\$1,509,099,000								
1950-51	Unsecured - City and County Assessor....				174,987,355	2,460,275	172,527,080	5.66	446,958,945	615,148,000								
	Secured - City and County Assessor.....		338,486,080	468,437,890	10,373,612	42,988,325	774,309,257	6.29	7,389,121	635,151,000								
	Secured - State Board of Equalization.....		11,594,320	64,845,380	38,418,540		114,858,240	6.29	41,805,700	635,151,000								
	Total.....		\$350,080,400	\$533,283,270	\$223,779,507	\$45,448,600	\$1,061,694,577		\$496,153,766	\$1,557,448,000								
1951-52	Unsecured - City and County Assessor....				199,089,454	2,242,564	196,846,890	6.29	541,279,205	738,120,000								
	Secured - City and County Assessor.....		340,439,080	492,967,440	13,490,816	46,503,530	800,393,806	6.19	9,174,748	635,151,000								
	Secured - State Board of Equalization.....		15,762,340	66,620,930	41,853,110		124,236,380	6.19	58,641,660	635,151,000								
	Total.....		\$356,201,420	\$559,588,370	\$254,433,390	\$48,746,094	\$1,121,477,076		\$609,095,609	\$1,760,572,000								
1952-53	Unsecured - City and County Assessor....				220,812,645	2,086,937	218,725,708	6.19	571,045,856	780,221,000								
	Secured - City and County Assessor.....		348,600,965	530,992,235	12,794,831	44,981,574	847,466,457	5.67	8,388,613	635,151,000								
	Secured - State Board of Equalization.....		16,714,810	67,703,770	44,590,910		129,009,490	5.67	50,655,040	635,151,000								
	Total.....		\$365,378,775	\$598,696,005	\$278,198,386	\$47,068,511	\$1,195,201,655		\$630,089,515	\$1,825,291,000								
1953-54	Unsecured - City and County Assessor....				232,302,098	2,014,395	230,287,703	5.67	598,586,730	828,874,000								
	Secured - City and County Assessor.....		350,820,577	548,705,058	8,114,636	49,911,533	857,728,738	6.27	5,772,285	635,151,000								
	Secured - State Board of Equalization.....		16,799,640	68,685,230	47,872,160		133,357,030	6.27	59,152,340	635,151,000								
	Total.....		\$367,620,217	\$617,390,288	\$288,288,894	\$51,925,928	\$1,221,273,471		\$663,511,355	\$1,894,854,000								
1954-55	Unsecured - City and County Assessor....				233,165,805	2,385,376	230,780,429	6.27	658,760,128	880,540,000								
	Secured - City and County Assessor.....		351,797,115	562,069,670	9,133,322	53,599,964	869,400,143	6.85	11,856,235	635,151,000								
	Secured - State Board of Equalization.....		16,750,680	72,376,320	49,673,340		138,800,340	6.85	55,727,720	635,151,000								
	Total.....		\$368,547,795	\$634,445,990	\$291,972,467	\$55,985,340	\$1,238,980,912		\$725,032,883	\$1,944,831,000								

CITY AND COUNTY OF SAN FRANCISCO

DETAIL OF TAX RATES

Fiscal Years 1945-46 to 1954-55

	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55
General Fund - Charter Limit \$1.65....	1.324581	1.606739	1.228896	1.126318	1.261335	1.288331	1.181879	1.100226	1.127311	1.026134
General Fund - Other Necessary Expenditures Not Limited .....	.788891	.886788	1.332376	1.415456	1.320391	1.481594	1.446522	1.351770	1.738365	2.111081
Unified School District	1.132731	1.225865	1.366733	1.645139	1.299661	1.562837	1.702265	1.608920	1.682564	1.569888
Recreation .....	.127712	.148002	.128131	.139433	.126423	.....	.....	.....	.....	.....
Park .....	.177718	.231787	.194877	.272223	.203699	.....	.....	.....	.....	.....
Recreation and Park .....	.....	.....	.....	.....	.....	.333286	.308968	.300406	.333419	.308652
Library .....	.077863	.092736	.079649	.085277	.079214	1.03886	.083429	.084568	.086696	.093976
Employees' Retirement .....	.367666	.415228	.607937	.572093	.761183	.728602	.768251	.727307	.774782	.868473
Bond Interest and Redemption .....	.534730	.562023	.427027	.345373	.232312	.257541	.225908	.166542	.184849	.309244
de Young Museum .....	.018125	.028140	.024749	.046452	.019540	.041135	.020559	.025020	.035008	.023888
California Palace of the Legion of Honor .....	.012867	.023237	.015741	.021058	.015458	.015651	.017172	.016888	.018072	.018568
War Memorial .....	.010328	.030623	.014676	.019291	.017742	.021101	.016755	.017447	.017548	.018690
Publicity and Advertising .....	.023595	.036508	.031683	.027403	.026161	.026098	.024423	.022763	.022529	.021227
Tax Judgments .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Child Care Centers .....	.....	.....	.....	.....	.....	.....	.008818	.014731	.016049	.008877
Special Election Fund .....	.....	.....	.006512	.....	.....	.....	.....	.000267	.....	.....
Interest on Tax Anticipation Notes .....	.000047	.....	.....	.....	.....	.000100	.....	.....	.....	.....
Lighting Public Streets and Buildings ..	.129648	.150632	.130660	.129071	.093146	.103213	.096888	.095479	.106698	.103809
Airport .....	.050770	.111692	.030353	.030325	.203735	.190286	.118155	.137666	.116020	.161256
Heich Hetchy Water Supply .....	.052728	.....	.....	.....	.....	.....	.....	.....	.....	.....
Municipal Railway .....	.....	.....	.....	.215088	.....	.119469	.170008	.....	.....	.206237
P. U. C. Purchase of California St. Cable R. R. Co. ....	.....	.....	.....	.....	.....	.016870	.....	.....	.....	.....
Contribution to Purchase Butano Forest .....	.....	.....	.....	.....	.....	.....	.....	.....	.010090	.....
Total Levy	4.83	5.55	5.62	6.09	5.66	6.29	6.19	5.67	6.27	6.85

CITY AND COUNTY OF SAN FRANCISCO PERCENTAGES OF TAX DELINQUENCY FOR FISCAL YEARS ENDING | % | 1938 | 1939 | 1940 | 1941 | 1942 | 1943 | 1944 | 1945 | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | |-----|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------| | 2 | | | | | | | | | | | | | | | | | | | 1.5 | | | | | | | | | | | | | | | | | | | 1.3 | | | | | | | | | | | | | | | | | | | 1.2 | | | | | | | | | | | | | | | | | | | 1.1 | | | | | | | | | | | | | | | | | | | 1.0 | | | | | | | | | | | | | | | | | | | .97 | | | | | | | | | | | | | | | | | | | .93 | | | | | | | | | | | | | | | | | | | .81 | | | | | | | | | | | | | | | | | | | .80 | | | | | | | | | | | | | | | | | | | .77 | | | | | | | | | | | | | | | | | | | .76 | | | | | | | | | | | | | | | | | | | .68 | | | | | | | | | | | | | | | | | | | .66 | | | | | | | | | | | | | | | | | | | .59 | | | | | | | | | | | | | | | | | | | .57 | | | | | | | | | | | | | | | | | | | .54 | | | | | | | | | | | | | | | | | | | .51 | | | | | | | | | | | | | | | | | | | .48 | | | | | | | | | | | | | | | | | | | .45 | | | | | | | | | | | | | | | | | | | .42 | | | | | | | | | | | | | | | | | | | .39 | | | | | | | | | | | | | | | | | | | .36 | | | | | | | | | | | | | | | | | | | .33 | | | | | | | | | | | | | | | | | | | .30 | | | | | | | | | | | | | | | | | | | .27 | | | | | | | | | | | | | | | | | | | .24 | | | | | | | | | | | | | | | | | | | .21 | | | | | | | | | | | | | | | | | | | .18 | | | | | | | | | | | | | | | | | | | .15 | | | | | | | | | | | | | | | | | | | .12 | | | | | | | | | | | | | | | | | | | .09 | | | | | | | | | | | | | | | | | | | .06 | | | | | | | | | | | | | | | | | | | .03 | | | | | | | | | | | | | | | | | | | .00 | | | | | | | | | | | | | | | | | |

H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO AMOUNTS OF TAX LEVIES AND DELINQUENCIES Fiscal Year 1931-32 to 1953-54

Fiscal Year	Amount of Levy	Uncollected at June 30, Amount	Uncollected at June 30, %
1931-32	\$32,714,463	\$ 718,830	2.20
1932-33	31,752,726	1,704,581	5.37
1933-34	26,533,270	1,314,809	4.95
1934-35	28,808,183	958,096	3.33
1935-36	30,634,662	612,784	2.00
1936-37	30,986,613	449,704	1.45
1937-38	31,994,075	483,081	1.50
1938-39	33,337,812	442,132	1.32
1939-40	32,575,922	390,467	1.19
1940-41	35,162,785	367,339	1.04
1941-42	36,469,225	354,994	.97
1942-43	37,469,083	288,158	.76
1943-44	36,797,771	254,508	.69
1944-45	39,647,406	262,652	.66
1945-46	41,204,389	380,975	.93
1946-47	47,374,398	457,779	.97
1947-48	51,718,354	602,680	1.17
1948-49	60,779,270	669,631	1.10
1949-50	60,150,563	557,617	.93
1950-51	66,522,057	537,393	.81
1951-52	70,596,215	564,703	.80
1952-53	69,947,402	539,325	.77
1953-54	76,082,542	716,632	.94

CITY AND COUNTY OF SAN FRANCISCO

TAX YIELD

FISCAL YEAR 1954-55

	<u>VALUATION</u>	<u>TAX YIELD</u>	<u>RATE Per \$100</u>
Taxes on property assessed by City and County:			
Real Estate, Improvements, and Secured Personal Property:			
Real Estate and Improvements	\$913,866,785		
Tangible Personal Property	9,133,322		
Less Veterans' and Welfare Exemptions	<u>53,599,964</u>		
	\$869,400,143	\$59,554,315.60	6.85
Solvent Credits	<u>11,636,238</u>	<u>11,635.29</u>	.10
Total	<u>881,036,381</u>	<u>59,565,950.89</u>	
Unsecured Personal Property (Collected):			
Tangible Personal Property	113,875,412		
Less Veterans' and Welfare Exemptions	<u>1,857,540</u>		
	112,017,872	7,023,586.24	6.27
Solvent Credits	<u>437,047,742</u>	<u>437,054.50</u>	.10
Total	<u>549,065,614</u>	<u>7,460,640.74</u>	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property	119,290,393		
Less Veterans' and Welfare Exemptions	<u>527,836</u>		
	118,762,557	7,446,436.73	6.27
Solvent Credits	<u>221,721,386</u>	<u>221,724.30</u>	.10
Total	<u>340,483,943</u>	<u>7,668,161.03</u>	
Total Assessed by City and County Assessor	<u>1,770,585,938</u>	<u>74,694,752.66</u>	
Taxes on property Assessed by State Board of Equalization:			
Real Estate and Improvements	89,127,000		
Tangible Personal Property	49,673,340	9,507,823.34	6.85
Solvent Credits	<u>55,227,520</u>	<u>55,227.52</u>	.10
Total Assessed by State Board of Equalization	<u>194,027,860</u>	<u>9,563,050.86</u>	
Total of Above Assessments	<u>\$1,964,613,798</u>		
Total Tax Yield 1954-55		84,257,803.52	
Reassessments		- - -	
TOTAL TAX YIELD		<u><u>\$84,257,803.52</u></u>	

CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF BONDING CAPACITY

AT JUNE 30, 1954

Maximum Limit:

12% of 1954-55 Assessment Roll (\$1,964,613,798)

\$235,753,655

Bonded Debt Not Matured June 30, 1954:

Total

\$188,632,000

Exempt from 12% Limit (a)

73,005,000

115,627,000

Limit of Future Bond Sales (Subject to 12% Limit)

\$120,126,655

Unissued (Unsold) Bonds, June 30, 1954:

	<u>Total</u>	<u>Exempt from 12% Limit</u>	<u>Subject to 12% Limit</u>
1947 Street Improvement	\$ 6,950,000		
1947 Off-Street Parking	4,000,000		
1947 Recreation	3,770,000		
1948 Sewage Treatment	1,450,000		
1948 Schools	4,990,000		
1952 Firehouse	4,750,000		
1954 Sewers	12,645,000		
	<u>\$38,555,000</u>	<u>-0-</u>	<u>\$ 38,555,000</u>

- (a) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County subject to the City and County taxes, exclusive of bonds issued for the following purposes:

For water supply, storage, or distribution purposes.

For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (To date no such bonds have been issued.)

CITY AND COUNTY OF SAN FRANCISCO
ANNUAL BOND INTEREST AND REDEMPTION REQUIREMENTS
BASED UPON BONDED INDEBTEDNESS AT JUNE 30, 1954

General City, Including
S. F. Unified School District

Fiscal Year	Grand Total	Public Service Enterprises		
		Total	Bond Redemption	Bond Interest
1954-55	\$ 20,422,668.75	\$ 8,424,586.25	\$ 6,794,000	\$ 1,630,586.25
1955-56	20,094,798.75	8,321,248.75	6,863,000	1,478,248.75
1956-57	19,766,658.75	8,214,757.50	6,887,000	1,327,757.50
1957-58	18,957,078.75	8,256,498.75	7,062,000	1,194,498.75
1958-59	18,623,480.00	8,126,137.50	7,066,000	1,060,137.50
1959-60	18,141,008.75	7,989,436.25	7,061,000	928,436.25
1960-61	17,804,631.25	7,753,298.75	6,961,000	792,298.75
1961-62	15,670,961.25	7,372,473.75	6,716,000	656,473.75
1962-63	15,468,413.75	7,245,528.75	6,715,000	530,528.75
1963-64	14,151,012.50	6,570,760.00	6,167,000	403,760.00
1964-65	12,615,850.00	6,193,225.00	5,902,000	291,225.00
1965-66	10,303,061.25	5,969,110.00	5,776,000	193,110.00
1966-67	9,676,956.25	5,302,775.00	5,215,000	87,775.00
1967-68	5,225,348.75	1,961,037.50	1,825,000	36,037.50
1968-69	3,260,885.00	694,562.50	685,000	9,562.50
1969-70	2,110,962.00			
1970-71	1,929,482.50			
1971-72	775,500.00			
1972-73	748,500.00			
1973-74	721,500.00			
1974-75	694,500.00			
1975-76	667,500.00			
1976-77	640,500.00			
1977-78	613,500.00			

Public Service Enterprises

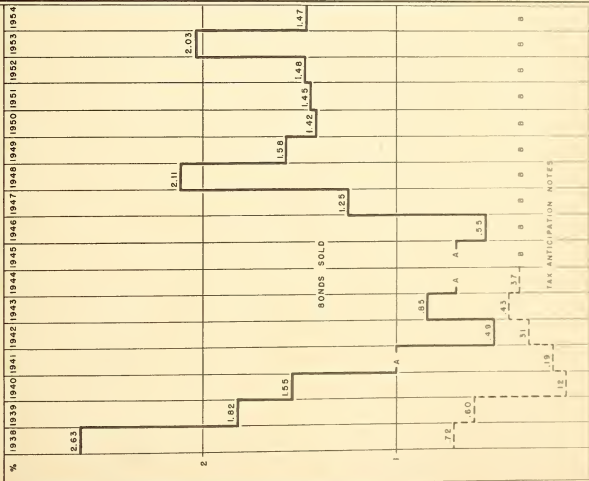
Fiscal Year	Grand Total	Public Service Enterprises		
		Total	Bond Redemption	Bond Interest
1954-55	\$ 20,422,668.75	\$ 11,998,082.50	\$ 8,946,000	\$ 3,052,082.50
1955-56	20,094,798.75	11,773,550.00	8,945,000	2,828,550.00
1956-57	19,766,658.75	11,552,907.25	8,951,000	2,601,907.25
1957-58	18,957,078.75	10,700,580.00	8,314,000	2,386,580.00
1958-59	18,623,480.00	10,497,342.50	8,234,000	2,263,342.50
1959-60	18,141,008.75	10,151,572.50	8,214,000	1,937,572.50
1960-61	17,804,631.25	9,027,332.50	7,314,000	1,713,332.50
1961-62	15,670,961.25	8,432,487.50	6,930,000	1,502,487.50
1962-63	15,468,413.75	8,222,885.00	6,929,000	1,293,885.00
1963-64	14,151,012.50	7,580,252.50	6,496,000	1,084,252.50
1964-65	12,615,850.00	6,422,625.00	5,531,000	891,625.00
1965-66	10,303,061.25	4,333,951.25	3,593,000	740,951.25
1966-67	9,676,956.25	3,374,181.25	2,750,000	624,181.25
1967-68	5,225,348.75	2,264,311.25	2,750,000	514,311.25
1968-69	3,260,885.00	2,566,322.50	2,160,000	406,322.50
1969-70	2,110,962.00	2,110,962.00	1,800,000	310,962.00
1970-71	1,929,482.50	1,929,482.50	1,700,000	229,482.50
1971-72	775,500.00	775,500.00	600,000	175,500.00
1972-73	748,500.00	748,500.00	600,000	148,500.00
1973-74	721,500.00	721,500.00	600,000	121,500.00
1974-75	694,500.00	694,500.00	600,000	94,500.00
1975-76	667,500.00	667,500.00	600,000	67,500.00
1976-77	640,500.00	640,500.00	600,000	40,500.00
1977-78	613,500.00	613,500.00	600,000	13,500.00

\$224,194,736.25 \$95,395,236.25 \$84,775,000 \$10,620,236.25 \$128,799,500.00 \$103,857,000 \$24,942,500.00

Unsold Bonds at June 30, 1954 in the amount of \$38,555,000 are not included.

CITY AND COUNTY OF SAN FRANCISCO

AVERAGE NET INTEREST COST

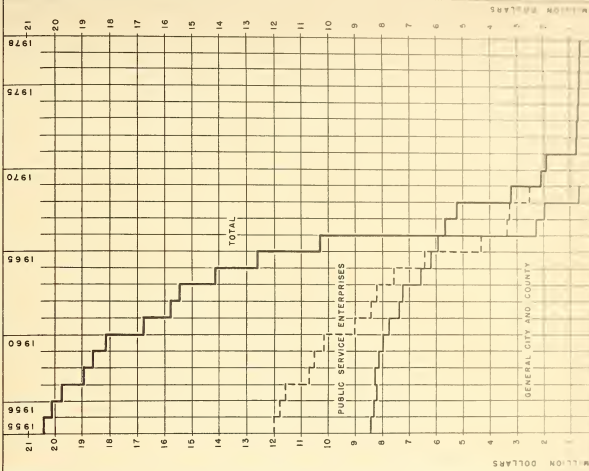
ON BONDS AND TAX ANTICIPATION NOTES
SOLD DURING FISCAL YEARS ENDINGA - No Bonds Sold
B - No Tax Anticipation Notes Sold

* H.D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

BOND INTEREST AND REDEMPTION

REQUIREMENTS FOR FISCAL YEARS ENDING



* H.D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
BOND INTEREST AND REDEMPTION
FUNDING STATEMENT

Fiscal Years 1945-46 to 1954-55

FISCAL YEAR ENDED JUNE 30

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
SOURCE OF REVENUES: General City Issues:										
Taxes	\$ 4,542,792	\$ 4,807,305	\$ 4,017,955	\$ 3,596,089	\$ 2,650,025	\$ 2,690,858	\$ 2,595,777	\$ 2,120,382	\$ 2,215,536	\$ 3,544,397
Special Road Improvement Fund ..	88,200	88,200	88,200	.....	.....	.....	.....	.....	.....	.....
Capital Improvement Fund .....	.....	.....	516,250	1,719,797	3,228,497	3,996,069	4,591,367	5,017,833	5,052,863	4,912,189
Surplus	12,596	.....	.....	.....	136,932	.....	.....	.....	.....	.....
	4,643,588	4,895,505	4,622,405	5,315,886	6,015,454	6,686,927	7,187,144	7,138,215	7,268,399	8,456,586
Public Service Enterprises:										
Utility Earnings:										
Water Department	5,392,392	6,210,245	5,010,412	6,250,831	6,520,270	6,607,787	6,466,282	6,522,665	6,441,567	6,884,397
Hetch Hetchy Project	1,832,590	1,330,378	1,505,373	1,367,307	1,161,340	1,273,059	1,391,671	1,371,771	1,361,727	875,594
Municipal Railway	137,500	132,500	127,500	868,771	1,231,388	315,722	.....	1,849,107	1,861,459	.....
Airport .....	.....	.....	.....	.....	.....	124,584	366,099	437,912	665,500	433,830
Proceeds from Bond Funds	2,891	.....	.....	.....	.....	.....	.....	.....	.....	.....
Capital Improvement Fund (via Utility)	.....	.....	1,162,500	2,358,085	1,166,765	968,202	620,151	.....	.....	.....
Taxes (via Utility)	792,007	849,565	294,710	289,855	1,665,360	3,105,818	2,827,350	1,602,725	1,466,892	3,753,012
Surplus .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	8,157,380	8,522,688	8,700,495	11,134,849	11,745,123	12,395,172	11,671,553	11,784,180	11,795,145	11,946,833
Total Budgeted Requirements	\$12,800,968	\$13,418,193	\$13,322,900	\$16,450,735	\$17,760,577	\$19,082,099	\$18,858,697	\$18,922,395	\$19,063,544	\$20,403,419

Office of the Controller



REPORT AND FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1954



PRICE WATERHOUSE & CO.

351 CALIFORNIA STREET

SAN FRANCISCO 4

November 19 1954

The Honorable Board of Supervisors
City and County of San Francisco
San Francisco, California

Dear Sirs:-

In accordance with your resolution No. 14365, we have made an examination, to the extent outlined in this report, of the financial statements relating to the Office of the Controller of the City and County of San Francisco for the year ended June 30 1954. The financial statements, attached hereto, are as follows:-

Exhibit

General City and County (i.e. exclusive of Public Service Enterprises) and San Francisco Unified School District:

Combined balance sheet, all funds, June 30 1954
Summary of changes in unappropriated balance of funds, for the year ended June 30 1954
Statement of revenues and expenses, for the year ended June 30 1954

Summary of fixed assets, June 30 1954

Bonded indebtedness, June 30 1954

Individual fund balance sheets, June 30 1954:

Summary

Current funds

Capital funds

Retirement and other public trust funds

Private trust funds

Assessment and redemption funds

Agency funds

Public Service Enterprises:

Reconciliation of proprietary surplus with unappropriated balance of funds, June 30 1954

Individual fund balance sheets, June 30 1954

A

B

C

D

E

F

G

H

I

J

K

K

L

M

SCOPE OF EXAMINATION

Proprietary accounts for the Public Service Enterprises are not maintained in the Office of the Controller but are maintained in the offices of the several enterprises. Examinations of these accounts are made by other auditors as follows:-

By other independent public accountants:
Municipal Railway of San Francisco
San Francisco Water Department and Hetch Hetchy Project
By the Controller's Utilities Audit Division:
Public Utilities Commission
San Francisco Airport

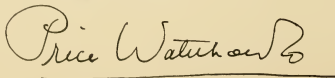
Our examination of the financial statements relating to the Office of the Controller was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records maintained in the Office of the Controller and such other auditing procedures as we considered necessary in the circumstances; we did not extend our tests to records of other offices. However, in the preparation of this report, we have necessarily incorporated data from reports prepared in connection with examinations made as at June 30 1954 by other auditors as follows:-

By other independent public accountants:
San Francisco Unified School District (a separate political entity)
City and County of San Francisco Employees' Retirement System
By the Controller's General Audit Division:
Cash, securities and accounts of the Treasurer's Office

O P I N I O N

In our opinion, based on the examination previously described, the accompanying financial statements, together with the notes thereto, present fairly the position at June 30 1954 and the results of operations for the year then ended of the City and County of San Francisco and the San Francisco Unified School District, in conformity with generally accepted principles of governmental accounting applied on a basis consistent with that of the preceding year.

Yours very truly,


Price Waterhouse

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
COMBINED BALANCE SHEET - ALL FUNDS
(See Notes to Financial Statements)

ASSETS AND OTHER RESOURCES		LIABILITIES AND FUND BALANCES	
		June 30 1954	June 30 1953
CASH:			
On deposit with Treasurer		\$60,737,600	\$60,820,582
Less - Outstanding warrants, matured bonds and coupons		2,876,957	1,304,162
		<u>\$57,860,643</u>	<u>\$59,516,420</u>
Revolving funds		49,750	49,750
		<u>\$57,910,393</u>	<u>\$59,566,170</u>
ACCOUNTS RECEIVABLE:			
Real estate taxes, property taxes, penalties		\$ 805,024	\$ 619,779
Read and costs secured		1,876,347	1,827,465
Personal property taxes, penalties and costs, unsecured		1,971,499	1,962,687
Purchase, use and franchise taxes		2,142,890	2,142,890
Grants-in-aid and shared state taxes		7,300,000	7,300,000
Receivable under contract for sale of bonds		1,518,887	1,305,614
Accrued interest and other		\$10,014,552	\$17,637,126
		<u>3,349,157</u>	<u>2,768,831</u>
Less - Reserves		\$6,665,385	\$14,848,294
		<u>\$1,652,542</u>	<u>\$1,981,845</u>
OWING BY PUBLIC SERVICE ENTERPRISES (Net)			
INVESTMENTS:			
Securities		\$142,859,982	\$126,683,597
Real estate, etc.		55,990	\$126,739,577
		<u>\$142,915,972</u>	<u>\$126,739,577</u>
OTHER RESOURCES:			
Unmatured bonds (Note A)		\$38,555,000	\$30,910,000
Available federal aid		54,000	486,000
		<u>\$38,609,000</u>	<u>\$31,396,000</u>
		<u>\$247,733,292</u>	<u>\$234,531,886</u>
Supplementary Data:			
(1) Proprietary equity in Public Service Enterprises (Exhibit L)			
(2) Public Service Enterprises owned by the City and County of San Francisco (Exhibit D) (Note C)			
(3) Bonded indebtedness other than that of the city owned Public Service Enterprises (chargeable, together with interest thereon, against revenues of ensuing fiscal years) (Exhibit E)			
(4) Contingent liabilities, etc. (Note D)			

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
- AND -
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF CHANGES IN UNAPPROPRIATED BALANCE OF FUNDS

	<u>Y e a r</u>	<u>e n d e d</u>
	<u>June 30 1954</u>	<u>June 30 1953</u>
Balance, beginning of year	\$20,125,799	\$17,800,060
Add:		
Excess of revenues over expenses (Exhibit C)	10,925,092	8,616,786
Proceeds from sales of fixed assets (book value of assets sold, 1954 - \$250,981, 1953- \$264,908)	649,682	649,286
Additional bonds authorized	12,645,000	4,750,000
Federal aid made available		540,000
Reductions in reserves:		
	<u>Balances of Reserves as at</u>	
	<u>June 30 1954 June 30 1953 June 30 1952</u>	
Cash reserve fund	\$ 6,994,716	\$ 7,059,622 \$ 7,059,622
Reserve for encumbrances	13,119,514	15,319,197 18,107,230
Reserve for unencumbered appropriations	37,481,728	45,943,971 56,866,403
	<u>\$57,595,958</u>	<u>\$68,322,790</u> <u>\$82,033,255</u>
	10,726,832	13,710,465
Reduction (increase) in balance of expenditures on uncompleted interdepartmental work orders temporarily charged to unappropriated balance of funds at end of each fiscal year:		
Balance at June 30 1954		\$2,894,926
Balance at June 30 1953		3,727,929
Balance at June 30 1952		3,428,429
Miscellaneous		(299,500) 64,276
	<u>\$55,905,408</u>	<u>\$45,831,373</u>
Deduct:		
Additions to fixed assets	\$20,345,581	\$20,644,480
Less- Amounts contributed by State Highway Trust Fund	339,631	478,906
	<u>\$20,005,950</u>	<u>\$20,165,574</u>
Bonds redeemed	5,654,000	5,540,000
Miscellaneous	33,552	
	<u>\$25,693,502</u>	<u>\$25,705,574</u>
Balance, end of year	\$30,211,906	\$20,125,799

CITY AND COUNTY OF SAN FRANCISCO
 (Exclusive of Public Service Enterprises)
 - AND -
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES AND EXPENSES

	<u>Y e a r</u>	<u>e n d e d</u>
	<u>June 30 1954</u>	<u>June 30 1953</u>
Revenues:		
Property taxes, penalties, interest and costs	\$ 76,123,581	\$ 69,852,672
Grants-in-aid and shared state taxes	42,687,117	39,508,407
Departmental service charges, etc.	6,961,796	6,620,108
Retail purchase and use tax	4,984,922	5,049,201
Fines, forfeits and penalties other than from property taxes	2,470,813	2,246,475
Franchise taxes	1,150,018	1,049,985
Licenses	580,362	648,467
Bank interest	578,940	526,697
Rentals from nonoperating school property	364,083	367,265
Housing authority in lieu of taxes	394,865	244,435
Other	90,099	134,104
	<u>\$136,386,596</u>	<u>\$126,247,817</u>
Expenses:		
Departmental expenses (adjusted for inventories and other deferred charges):		
General government	\$ 9,385,669	\$ 8,539,705
Public safety	20,804,800	18,748,784
Highways	3,028,109	2,722,831
Sanitation	3,269,346	2,957,688
Health conservation	2,753,708	2,502,420
Hospitals	7,107,558	6,478,313
Public welfare	22,027,819	22,233,625
Corrections	1,965,756	1,801,926
Schools	31,363,509	29,341,754
Libraries	1,045,452	935,314
Recreation	5,419,246	5,075,479
	<u>\$108,170,972</u>	<u>\$101,337,839</u>
Pension cost - Employees' Retirement System (Note B)	13,527,239	12,541,720
Bond interest (accrual basis)	1,618,812	1,447,005
Civilian Defense	201,273	218,896
Assessments, Joint Highway Districts	99,000	99,000
Provision from property and other taxes for support of:		
Municipal Railway		(9,000)
Airport	1,465,459	1,604,442
Public Utilities Commission	139,379	1,812
Miscellaneous	(132,412)	213,370
	<u>\$125,089,722</u>	<u>\$117,455,084</u>
Excess of revenues over expenses, proprietary basis, forward	\$11,296,874	\$8,792,733

	Y e a r e n d e d <u>June 30 1954</u>	<u>June 30 1953</u>
Excess of revenues over expenses, proprietary basis, forward	<u>\$11,296,874</u>	<u>\$8,792,733</u>
Add:		
Deferred charges, beginning of year:		
Inventories of materials and supplies	\$1,078,053	\$1,095,040
Miscellaneous	196,297	96,999
Accrued bond interest, end of year	527,687	460,357
	<u>\$1,802,037</u>	<u>\$1,652,396</u>
	<u>\$13,098,911</u>	<u>\$10,445,129</u>
Deduct:		
Deferred charges, end of year:		
Inventories of materials and supplies	\$1,092,559	\$1,078,053
Miscellaneous	188,903	196,297
Accrued bond interest, beginning of year	460,357	499,993
Federal aid collections included in proprietary revenues	432,000	54,000
	<u>\$2,173,819</u>	<u>\$1,828,343</u>
Excess of revenues over expenses, funding basis	<u>\$10,925,092</u>	<u>\$8,616,786</u>

CITY AND COUNTY OF SAN FRANCISCO
- AND -
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS RELATING TO THE OFFICE OF
THE CONTROLLER, FOR THE YEAR ENDED JUNE 30 1954

NOTE A - Authorized but unissued bonds:

The following is a summary of unissued bonds, exclusive of bonds of the city owned Public Service Enterprises, as at June 30 1954:-

1947 Street Improvement	\$ 6,950,000
1947 Recreation	3,770,000
1947 Off-Street Parking	4,000,000
1948 Sewage Treatment	1,450,000
1948 School	4,990,000
1952 Firehouse	4,750,000
1954 Sewer	12,645,000
	<u>\$38,555,000</u>

NOTE B - Unallocated tax appropriations,
Employees' Retirement Fund:

Over the period of eight years ended June 30 1954, tax appropriations allocated to the Retirement System in respect of pension costs have in total exceeded actual pension costs by \$1,064,251, as follows:-

Excess (net) to June 30 1952		\$1,698,346
Less:		
Fiscal year ended June 30 1953:		
Actual costs	\$12,817,624	
Tax appropriations (Exhibit C)	<u>12,541,720</u>	275,904
Excess (net) to June 30 1953		<u>\$1,422,442</u>
Fiscal year ended June 30 1954:		
Actual costs	\$13,885,430	
Tax appropriations (Exhibit C)	<u>13,527,239</u>	358,191
Excess (net) to June 30 1954		<u>\$1,064,251</u>

Of the foregoing excess to June 30 1954, \$971,485 had been paid in cash to the Retirement System to that date. The unpaid balance of \$92,766 represents taxes appropriated but not collected. On November 18 1954, the \$971,485 was transferred back to the General Fund in compliance with Opinion #881 of the City Attorney issued under date of September 24 1954 which states that the excess tax appropriations should be returned to the General Fund in accordance with Section 80 of the Charter.

NOTE C - Fixed assets:

The amount of \$358,233,259 does not purport to represent the cost of properties and equipment presently owned by the City and County, exclusive of the city owned Public Service Enterprises, and by the School District; the principal reasons for this are as follows:-

- (1) An equity of approximately \$647,000 has been acquired in parking meters (including \$40,000 during the year under review) which, together with the balance of \$31,000 owing at June 30 1954 on meters installed to that date, has not been taken up in the accounts. One-half of the collections from each newly installed meter is paid to the vendor of the meter until such time as the agreed purchase price has been paid in full; the other half of the collections is credited to revenues.
- (2) A substantial but undetermined portion of expenditures on inter-departmental work orders in progress at the end of the fiscal year (\$2,894,926 at June 30 1954 and \$3,727,929 at June 30 1953 per Exhibit B) is applicable to land, structures or equipment but such expenditures are not charged to fixed assets until each of the several jobs is completed.
- (3) A substantial but undetermined amount of retentions from payments or accruals for work completed to June 30 1954 on construction contracts then in progress has not been given recognition in the accounts as at that date except in the reserve for encumbrances.
- (4) Certain of the properties are recorded at appraised values.

OTE D - Contingent liabilities, suits, claims, etc.:

According to the City Attorney and Counsel for the School District, there were damage suits pending against the City and County and against the School District at June 30 1954 aggregating approximately \$22,000,000 and \$50,000 respectively; also there were a large number of claims pending which had not yet resulted in legal action. Included in the claims of \$22,000,000 against the City and County, were claims aggregating approximately \$16,000,000 against the Municipal Railway in respect of which the Railway has provided a reserve of \$2,910,000; no such reserve has been provided by any of the other departments of the municipality nor by the School District.

The Retirement Board has estimated the reserve requirements as at June 30 1954 for employees compensation claims at \$1,005,000 for the entire municipality including \$43,000 for the School District. No provision has been made in the books nor on the accompanying financial statements in respect of the portion of this estimated liability, \$796,000, which applies to General City and County Departments and School District. It is the practice of the municipality to provide funds in each annual appropriation ordinance in an amount estimated to be sufficient to meet payments under these claims during the ensuing year.

It is the practice of the municipality to have an actuarial estimate made once every six years of the amount of the City's unfunded prior service pension costs. These unfunded costs amounted to approximately \$40,500,000 at June 30 1951, the date of the most recent estimate.

The City and County of San Francisco is contingently liable in respect of the operating expenses and of the bond interest and redemption charges of the Golden Gate Bridge and Highway District by reason of its participation in the District. The unaudited financial statements of the Bridge District for the year ended June 30 1954 show:

- (1) Net income of \$164,118 after provision for bond interest and after an extraordinary charge of \$1,788,744 representing progress payments to June 30 1954 on a contract totaling \$3,062,216 for a bottom lateral bracing system.
- (2) Bonds outstanding at June 30 1954 of \$30,400,000, which mature \$800,000 per year for the next three years and \$1,200,000 per year for the following five years.
- (3) A sinking fund for retirement of bonded debt amounting at June 30 1954 to \$6,982,046.

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
- AND -
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF FIXED ASSETS

JUNE 30 1954

	<u>Total</u>	<u>Land</u>	<u>Structures and improvements</u>	<u>Equipment</u>
Current Year's Additions - Net:				
General Government:				
Civic Center, including				
City Hall	\$ 74,559		\$ 14,565	\$ 59,994
Public Safety:				
Fire Department	608,772 (\$	7,282)	523,694	92,360
Police Department	4,383	(6,855)	(42,568)	53,806
Department of				
Electricity	8,633		1,158	7,475
Highways:				
Streets, tunnels, bridges,				
etc.	5,521,953	(39,840)	5,539,518	22,275
Asphalt plant	22,715		22,715	
Off-street parking	30,946	(10,732)	41,678	
Sanitation:				
Sewers and sewage dis-				
posal plants	1,834,849	(34,099)	1,855,799	13,149
Street Cleaning Depart-				
ment	46,781			46,781
Health Conservation:				
Hassler Health Home	5,854			5,854
Civic Center Health				
Building	17,045			17,045
Other	68,976		68,976	
Hospitals:				
San Francisco Hospital	75,955	(1,136)	39,525	37,566
Emergency Hospitals	910			910
Public Welfare:				
Laguna Honda Home	144,599		129,259	15,340
Welfare Department	6,738			6,738
Corrections:				
Youth Guidance Center	36,827		28,136	8,691
Schools	9,864,072	129,755	9,119,693	614,624
Libraries	112,405		111,825	580
Recreation:				
Playgrounds and				
swimming pools	938,254	63,737	817,047	57,470
Museums, art galleries, etc.	72,965		67,623	5,342
War Memorial and Opera				
House	350			350
Parks and squares	432,059	189,528	215,346	27,185
Auditorium	11,317		11,317	
Golf links	2,429		2,429	
Kezar Stadium	8,924		8,924	
Other:				
Central warehouse and				
corporation yard	37,555		37,555	
Miscellaneous	103,775		527	103,248
	\$ 20,094,600	\$ 283,076	\$ 18,614,741	\$ 1,196,783
Prior Years' Additions	338,138,659	59,616,360	253,262,786	25,259,513
	<u>\$358,233,259</u>	<u>\$59,899,436</u>	<u>\$271,877,527</u>	<u>\$26,456,296</u>

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)

- AND -

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS - JUNE 30 1954

Schools:

Mar. 1 1923, 5%	\$3,900,000	
1948, Series A - Mar. 1 1949, 1-1/4% and 1-1/2%	5,400,000	
1948, Series B - Apr. 1 1951, 1-1/4% and 1-3/4%	9,235,000	
1948, Series C - Mar. 1 1952, 1-1/2%	8,320,000	
1948, Series D - Dec. 1 1952, 1-3/4%	9,750,000	
1948, Series E - Aug. 1 1953, 2-1/2% and 4%	4,800,000	
1948, Series F - Mar. 1 1954, 1% to 5-3/4%	3,000,000	\$44,405,000

Parks and Playgrounds:

Parks and Squares, Feb. 1 1931, 4-1/2%	\$ 336,000	
Playgrounds, Feb. 1 1931, 4-1/2%	48,000	
1947 Recreation, Series A - Aug. 1 1948, 1-1/2% and 1-3/4%	1,395,000	
1947 Recreation, Series B - Nov. 1 1949, 1% to 1-1/2%	979,000	
1947 Recreation, Series C - Sept. 1 1950, 1% to 1-1/2%	1,840,000	
1947 Recreation, Series D - Aug. 1 1953, 2-1/2% and 4%	2,500,000	7,098,000

Boulevards and Roads:

Boulevards and Roads, Feb. 1 1931, 4-1/2%	\$ 216,000	
1947 Street Improvement, Series A - Feb. 1 1948, 2%	1,200,000	
1947 Street Improvement, Series B - Aug. 1 1949, 1% to 1-1/2%	1,530,000	
1947 Street Improvement, Series C - Nov. 1 1949, 1% to 1-1/2%	4,290,000	
1947 Street Improvement, Series D - Sept. 1 1950, 1-1/4% and 1-1/2%	696,000	
1947 Street Improvement, Series E - Mar. 1 1952, 1-1/4% and 1-1/2%	2,250,000	
1947 Street Improvement, Series F - Dec. 1 1952, 1-3/4%	975,000	
1947 Street Improvement, Series G - Mar. 1 1954, 1% to 4%	1,000,000	12,157,000

Sewers:

July 1 1908, 5%	\$ 100,000	
Jan. 1 1929, 4-1/2%	100,000	
Dec. 1 1933, 4%	785,000	
1944, Series B - Feb. 1 1948, 2% to 2-1/2%	4,797,000	
1948 Sewage Treatment, Series A - Aug. 1 1949, 1% to 1-1/2%	5,783,000	
1948 Sewage Treatment, Series B - Nov. 1 1949, 1% to 1-1/2%	2,299,000	
1948 Sewage Treatment, Series C - Mar. 1 1952, 1-1/4% and 1-1/2%	1,850,000	
1948 Sewage Treatment, Series D - Mar. 1 1954, 1% to 4%	1,000,000	16,714,000

Other issues:

Fire Protection, July 1 1908, 5%	\$ 260,000	
City Hall and Civic Center, July 1 1912, 5%	1,400,000	
1947 Off-Street Parking, Series A - Mar. 1 1952, 1-1/4% and 1-1/2%	950,000	
1948 Juvenile Court and Detention Home, Series A - Aug. 1 1948, 1-1/2% and 1-3/4%	1,085,000	
1948 Juvenile Court and Detention Home, Series B - Nov. 1 1949, 1% to 1-1/2%	706,000	4,401,000

\$84,775,000

Adjustments and transfers:

- (A) To restore revolving funds to cash.
- (B) To record tuition receivable from other counties for nonresident students at City College.
- (C) To reclassify as payables, warrants recorded in June, issued in July.
- (D) To reclassify, from cash in transit account, receivables from Public Service Enterprises and payables to others, for payroll deductions.
- (E) To record sundry payables.
- (F) To eliminate reserves provided for supplemental appropriations to be made after June 30 1954.
- (G) To eliminate reserves provided against advances to General Fund, from other funds, for stores revolving funds.
- (H) To reclassify reserves for unsecured property taxes, departmental receivables, etc.
- (I) To eliminate interdepartmental work order and budget transfer balances between general city funds and:

Retirement, Trust and Agency Funds	\$83,634
Public Service Enterprise Funds	(70,836)
Net	\$12,798
- (J) To record reserves against sundry receivables.
- (K) To eliminate sundry small supply inventories.
- (L) To offset interfund accounts payable against interfund accounts receivable.
- (M) To record reduction during year ended June 30 1954 in unallocated tax appropriations, Employees' Retirement Fund.

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
- AND -
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - CURRENT FUNDS

JUNE 30 1954

<u>Cash</u>	<u>Receiv- ables</u>	<u>Other resources</u>	<u>Interfund accounts</u>	<u>Total</u>	
2,940,422	\$2,864,845	\$ 5,750	\$ 1,254,599	\$ 1,254,599	General, 1954-1955
229,906	20,511		5,795,194	11,606,211	General, 1953-1954
69,854	1,153,496		25,081	275,498	General, prior years
313,323	(209)		434,733	1,223,350	Capital Improvement
				747,847	Recreation and Park
152,103	1,836		3,525	157,464	Library
110,237	588			110,825	War Memorial
33,379				33,379	California Palace of the Legion of Honor
216,454			1,151	217,605	de Young Museum
43,353				43,353	Publicity and Advertising
780,055	226,119		837,083	1,843,257	Bond Interest and Redemption
61,899				61,899	Special Election
4,369,508	421,633		24,594	4,815,735	Special Road Improvement
4,465,551	886,594	54,000	29,337	5,435,482	San Francisco Unified School District
115,062	28,969			144,031	Child Care Center - State
5,897				5,897	Special Accumulative Building Fund - S.F.U.S.D.
125,034	38,103			163,137	School Cafeteria
	226,403			226,403	Employees' Retirement - Current
9,182,703	543,085			9,725,788	Special Gas Tax Street Improvement
1,363,472	1,624,426		6,430,648	9,418,546	Cash Reserve
757,284			740,365	1,497,649	Emergency Reserve
5,153				5,153	Tax Anticipation Note Interest
21,590				21,590	Embarcadero Widening
	240,000			240,000	Alcoholic Beverage License Subsidy
	460,689			460,689	Tuberculosis Aid Subsidy
(167,930)				(167,930)	Auditorium
(171,332)				(171,332)	Firemen's Relief and Pension
(103,236)				(103,236)	Police Relief and Pension
100,000				100,000	Butano Forest Purchase
					Unapportioned Funds:
41,315				41,315	Delinquent Tax Instalments
3,302,564				3,302,564	Assessor's Personal Property Taxes, 1954-1955
1,179				1,179	Tax Collector's Taxes
220				220	Redemption of Property
<u>28,365,019</u>	<u>\$8,737,088</u>	<u>\$59,750</u>	<u>\$15,576,310</u>	<u>\$52,738,167</u>	

<u>Total</u>	<u>Deferred credits</u>	<u>Reserves</u>	<u>Interfund accounts</u>	<u>Cash reserve fund</u>	<u>Encum- brances</u>	<u>Unencumbered appro- priations</u>	<u>Unappro- priated</u>
\$ 1,254,599							\$1,254,599
11,606,211	\$1,261,518	\$1,505,148	\$ 4,110,214		\$1,910,704	\$ 2,818,627	
275,498	2,250	191	185,464		45,123	42,470	
1,223,350		160	972,302			53	
747,847	53,384	(209)	149,201		179,862	365,609	250,835
157,464		1,836	36,220		69,725	49,683	
110,825		588	16,172		13,128	80,937	
33,379			31,939			116	
217,605			19,964		180,884	16,757	
43,353			12,545		22,808	8,000	
1,843,257		190,987	1,600,000				52,270
61,899						48,507	13,392
4,815,735		24,568	1,227,394		596,196	1,608,396	1,359,181
5,435,482		415,986	1,184,484		877,320	305,663	2,652,029
144,031		749	13,782		20,627	5,000	103,873
5,897						5,897	
163,137			3			5,033	158,101
226,403		133,637	92,766				
9,725,788			754,952		7,257	7,394,799	1,568,780
9,418,546		1,160,022	1,263,808	\$6,994,716			
1,497,649						1,497,649	
5,153							5,153
21,590						21,590	
240,000			240,000				
460,689			460,689				
(167,930)							(167,930)
(171,332)							(171,332)
(103,236)							(103,236)
100,000						100,000	
41,315	41,315						
3,302,564	3,302,564						
1,179	1,179						
220	220						
<u>\$52,738,167</u>	<u>\$4,662,430</u>	<u>\$3,433,663</u>	<u>\$12,371,899</u>	<u>\$6,994,716</u>	<u>\$3,924,958</u>	<u>\$14,374,786</u>	<u>\$6,975,715</u>

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - CAPITAL FUNDS

JUNE 30 1954

Cash	Unsold Bonds	Inter-fund accounts	Total	Bond Funds:	Inter-account balances	Unencumbered appropriations	Unappropriated
\$	\$		\$		\$	\$	
3,533	4,000,000		3,533	1927 Bernal Cut	2,000	300	3,233
5,000	3,750,000		5,000	1927 Boulevards		15,052	3,008
21,007	2,437,387		21,007	1943 Sewers	760,440	1,303,450	3,995
2,694,635	2,694,635		2,694,635	1944 Juvenile Home Court and			486,123
				1948 Juvenile Court and			
				Detention Home	1,100	49,938	2,812
54,282	4,000,000		54,282	1947 Off-Street Parking		49,938	4,052,707
4,098,623	3,750,000		4,098,623	1947 Street Improvement	849,184	7,227,203	1,116,850
1,231,337	1,450,000		1,231,337	1947 Street Improvement	413,591	3,272,390	1,257,768
2,437,016	1,450,000		2,437,016	1948 Sewage Treatment	1,077,498	1,687,074	89,738
437,016	4,990,000		1,887,016	1948 Schools	47,607	1,687,074	89,738
11,404,505	4,990,000	\$1,182,083	17,576,588	1952 Firehouse	7,710,938	8,871,884	34,524
579,091	4,750,000		5,329,091	1952 Firehouse	960,142	624,201	3,875,000
	12,645,000		12,645,000	1954 Sewers	616,212	213,678	12,645,000
				Real Property Funds:			
				General City	375	42,944	301,780
				San Francisco Unified School District	483	25,609	92,179
\$19,249,586	\$38,555,000	\$1,182,083	\$58,986,669		\$3,665,641	\$23,156,552	\$22,959,920

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
SAN FRANCISCO UNITED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS - RETIREMENT AND OTHER PUBLIC TRUST FUNDS

JUNE 30 1954

Cash	Receiv- ables	Invest- ments	Inter- fund accounts	Total	Total	Inter- fund accounts	Encum- brances	Unallo- cated tax appropri- ations	Fund balances
\$2,963,892	\$1,021,773	\$142,495,205	\$687,814	\$147,168,684	\$147,168,684	\$15,038	\$15,458	\$722,442	\$146,415,745
270,005				270,005	270,005	1,767			268,238
88,460	78,972			167,432	167,432	21,200	550		145,682
2,447				2,447	2,447				2,447
1,142		94		1,236	1,236				1,380
3,807				1,340	1,340				24
74,695	270	116,672		120,749	120,749		663		120,086
1,500		50,990		74,695	74,695				74,695
				52,490	52,490	500			51,990
2,936	116	8,379		11,431	11,431				11,431
1,294				Herzstein	Herzstein				1,294
1,246		2,000		3,246	3,246				3,246
7,597	45	2,073		9,715	9,715				9,715
2,603	5	5,000		7,608	7,608				7,608
9,134				9,134	9,134				9,134
3,941	22	979		4,940	4,940				4,940
14,558	469	45,000		48,017	48,017				48,017
6,587				14,458	14,458	500			13,958
10,176		5,000		15,176	15,176				15,176
2,152	416	150,000		215,533	215,533		3,506		212,027
65,127	10	5,000		70,137	70,137		138		69,999
638				5,638	5,638				5,638
4,214	156	15,000		19,370	19,370				19,370
2,287				2,287	2,287				2,287
2,560				2,560	2,560				2,560
352				352	352		2,345		350,000
2,028				2,028	2,028				2,028
3,601				3,601	3,601				3,601
3,314				3,314	3,314				3,314
2,715	99	14,580		17,394	17,394				17,394
2,071				2,071	2,071		365		1,706
195				195	195				195
220				220	220				220
111				111	111				111
110				110	110				110
192				192	192				192
496				496	496				496
30				30	30				30
\$3,902,747	\$1,102,353	\$142,915,972	\$487,814	\$148,608,886	\$148,608,886	\$39,005	\$43,177	\$722,442	\$147,854,769

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
- AND -
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - PRIVATE TRUST FUNDS

JUNE 30 1954

<u>Cash</u>	<u>Total</u>	<u>Encum- brances</u>	<u>Fund balances</u>
624 Absent Creditors	\$ 624		\$ 624
10,596 Absent Heirs	10,596		10,596
41,292 Adult Probation Officers' Deposit	41,292		41,292
1,044 Adult Probation Officers' Clearing Account	1,044		1,044
522 California Palace of the Legion of Honor California Unemployment Insurance	522		522
177 Taxes - Redevelopment Agency	177		177
19,419 Coroner's Unclaimed Money	19,419		19,419
51,909 County Clerk Bail	51,909		51,909
353,677 County Clerk Special	353,677		353,677
221,279 County Clerk Special - State Highway Commission	221,279		221,279
1,441 de Young Museum	1,441		1,441
20,362 Duplicate Taxes	20,362		20,362
3,008 Electrical Deposits	3,008		3,008
35,016 F.I.C.A. Taxes - Municipal Railway	35,016		35,016
394 F.I.C.A. Taxes - Redevelopment Agency	394		394
13 F.I.C.A. Taxes - Parking Authority	13		13
12,654 Jail Stores Deposits	12,654	\$113	12,541
8,719 Juvenile Court Deposits	8,719		8,719
235 Library Card Deposits	235		235
103,714 Municipal Court Bail	103,714		103,714
30,553 Municipal Court Special	30,553		30,553
1,014 Municipal Court Suspense	1,014		1,014
998 Police Department Deposits	998		998
199,262 Realty Deposits	199,262		199,262
1,254 School Teachers' Sabbatical Leave	1,254		1,254
575 Sheriff's Inmate Welfare Fund	575	289	286
84,790 Sheriff's Trust	84,790		84,790
450 Special Badge	450		450
465 Street Improvement	465		465
665 Street Improvement - Ordinance 1934	665		665
10,148 Sunset Tunnel Assessment Refund	10,148		10,148
25,416 Traffic Court Suspense	25,416		25,416
18,779 Twin Peaks Tunnel Refund	18,779		18,779
56,221 War Bonds	56,221		56,221
737,187 Withholding Tax - General	737,187		737,187
577,821 Withholding Tax - S. F. Unified School District	577,821		577,821
208,714 Withholding Tax - Municipal Railway	208,714		208,714
<u>2,840,407</u>	<u>\$2,840,407</u>	<u>\$402</u>	<u>\$2,840,005</u>

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
- AND -
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS

JUNE 30 1954

Cash	Receiv- ables	Total	Assessment and Redemption Funds			Total	Inter- fund accounts	Encum- brances	Fund balances
\$ 1,302		\$ 1,302	Circular Avenue Assessments			\$ 1,302			\$ 1,302
4,233		4,233	Circular Avenue Redemptions			4,233			4,233
938		938	City Lands Assessment			938			938
3,623		3,623	City Lands Redemption			3,623			3,623
142		142	Oakwood Street Assessments			142			142
64		64	Saturn Street Redemptions			64			64
\$332		332	Sunset Tunnel Assessments			332			332
9		9	Twin Peaks Tunnel Assessments			9			9
461		461	Virginia Avenue Assessments			461			461
1,580		1,580	Virginia Avenue Redemptions			1,580			1,580
\$12,343	\$341	\$12,684				\$12,684			\$12,684
Agency Funds									
\$ 535		\$ 535	Law Library			\$ 535			535
46,821		46,821	Redevelopment Agency			46,821			40,701
382,630		382,630	State County Fair			382,630		\$4,252	378,378
10,731		10,731	State Fines and Forfeitures			10,731			10,731
279,689		279,689	State Inheritance Tax			279,689			279,689
3,333		3,333	State Sales Tax			3,333			3,333
13,545		13,545	State Teachers' Annuity Deposit			13,545			13,545
19,231		19,231	State Teachers' Retirement, Permanent			19,231			19,231
\$756,515		\$756,515				\$756,515		\$6,120	\$746,143

CITY AND COUNTY OF SAN FRANCISCOPUBLIC SERVICE ENTERPRISESRECONCILIATION OF PROPRIETARY SURPLUS WITH UNAPPROPRIATEDBALANCE OF FUNDS, JUNE 30 1954

Proprietary surplus:		
Municipal Railway of San Francisco	\$ 2,040,852	
Water Department	55,989,628	
Hetch Hetchy Water Supply and Power Project	46,804,748	
Airport Department	28,988,020	
Public Utilities Commission	<u>2,148,634</u>	\$135,971,882
Add:		
Proprietary liabilities, reserves, etc. not recorded in fund accounts:		
Bonded indebtedness	\$103,857,000	
Accrued bond interest	1,325,335	
	<u>\$105,182,335</u>	
Less- Included in 1953-54 budget	2,723,750	102,458,585
Reserves for accident and compensation claims, etc.		3,429,646
Sundry payables		962,541
Deferred credits		420,655
Receivable reserves (net)		89,019
		<u>\$243,332,328</u>
Deduct:		
Fund reserves not recorded in proprietary accounts:		
For unencumbered appropriations	\$ 7,133,002	
For encumbrances (additional)	762,069	
For interdepartmental work orders, etc.	70,837	
Proprietary assets not recorded in fund accounts:		
Fixed assets	223,021,854	
Deferred charges	10,534,341	
Revolving funds	<u>52,650</u>	241,574,753
Unappropriated balance of funds, per listing of individual fund balance sheets (Exhibit M)		<u>\$1,757,575</u>

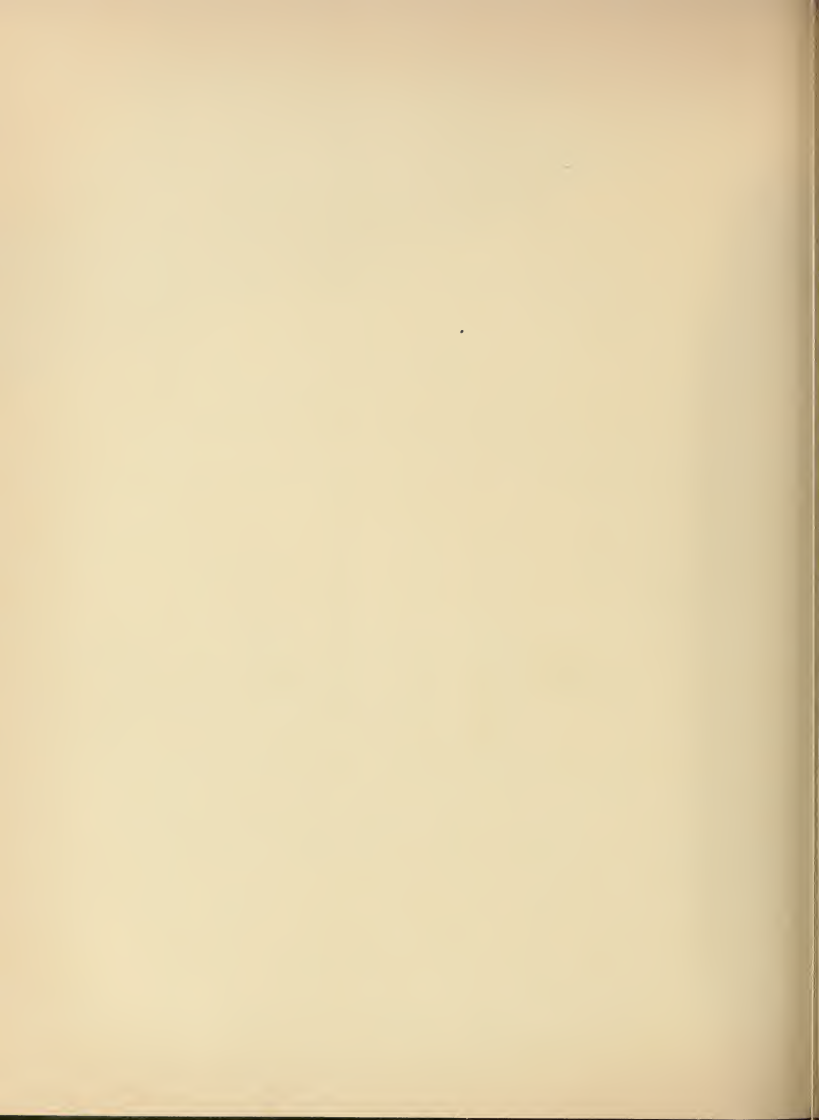
CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICE ENTERPRISES

INDIVIDUAL FUND BALANCE SHEETS

JUNE 30 1954

Cash	Receivables	Other resources	Interfund accounts	Total	Reserves	Interfund accounts	Encumbrances	Unencumbered appropriations	Unappropriated
\$ 676,967	\$353,245		\$452,497	\$ 1,482,709	\$1,482,709	\$442,662	\$ 170,392	\$ 676,888	\$192,767
1,341,250			1,341,250	1,341,250	1,341,250	290,200	1,702	540,846	
832,748			832,748	832,748	832,748	60,550	7,130,960	410,425	216,695
7,818,650			7,818,650	7,818,650	7,818,650				
\$10,669,615	\$353,245		\$452,497	\$11,475,357	\$11,475,357	\$793,412	\$7,303,074	\$1,628,159	\$409,462
\$4,283,143	\$1,241,489		\$1,063,574	\$6,588,206	\$6,588,206	\$873,169	\$1,264,176	\$3,324,832	\$921,891
1,382,500			1,382,500	1,382,500	1,382,500				8,415
8,415			8,415	8,415	8,415				
9,251			9,251	9,251	9,251				
\$5,683,309	\$1,241,489		\$1,063,574	\$7,988,372	\$7,988,372	\$874,619	\$1,264,176	\$3,332,223	\$930,246
\$ 238,181	\$51,978		\$11,227	\$96,729	\$96,729	\$213	\$210,680	\$320,121	\$248,329
228,181			228,181	228,181	228,181		18,150	144,269	
\$1,161,705	\$51,978		\$11,227	\$1,224,910	\$1,224,910	\$213	\$228,830	\$283,148	\$248,329
\$ 726,518	\$421,267		\$ 9,857	\$1,157,642	\$1,157,642	\$27,179	\$98,449	\$ 18,815	\$152,397
901,734			901,734	901,734	901,734	49,931	101,420	750,363	17,120
1,155,950			1,155,950	1,155,950	1,155,950	26,000	498,922	750,731	20
437,005			437,005	437,005	437,005	139,233	357,603	59,982	
\$3,238,378	\$421,267		\$129,590	\$3,908,968	\$3,908,968	\$27,179	\$1,153,613	\$976,760	\$169,538
\$108,152	\$7,348		\$65,999	\$81,499	\$81,499	\$7,348	\$535,956	\$11,843	\$126,352
\$20,861,159	\$2,075,327		\$2,222,887	\$25,279,106	\$25,279,106	\$2,962,685	\$3,586,430	\$9,839,411	\$1,757,175



San Francisco Water Department

AND

HETCH HETCHY WATER SUPPLY AND POWER PROJECT



REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1954



TOUCHE, NIVEN, BAILEY & SMART

CERTIFIED PUBLIC ACCOUNTANTS

BOSTON
CHICAGO
CLEVELAND
DAYTON
DETROIT
HOUSTON
KANSAS CITY
LOS ANGELES
MILWAUKEE
MINNEAPOLIS
NEW YORK
PITTSBURGH
ST. LOUIS
SAN FRANCISCO
SEATTLE

CORRESPONDENTS IN
CANADA, GREAT BRITAIN
AND OTHER FOREIGN COUNTRIES

100 BUSH STREET
SAN FRANCISCO 4, CAL.

September 23, 1954

Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California.

We have examined the combining balance sheet of the Water Department and the Hetch Hetchy Water Supply and Power Project of the City and County of San Francisco as of June 30, 1954, and the related combining statements of revenues and expenses and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, except as referred to in the following paragraph.

Our engagement did not contemplate the application of normal audit procedures with respect to cash deposited with the Treasurer and with respect to bonded debt at June 30, 1954. We obtained confirmation from the Controller of the City and County of San Francisco of cash deposited with the Treasurer and of bonded debt at June 30, 1954, and applied other audit procedures in support of these accounts.

This report, the program of examination, and our working papers on this engagement have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

In our opinion, subject to the limitations on the scope of our examination of cash deposited with the Treasurer and of bonded debt, as set forth in the second preceding paragraph, the accompanying combining balance sheet and combining statements of revenues and expenses and surplus present fairly the financial position of the Water Department and the Hetch Hetchy Water Supply and Power Project of the City and County of San Francisco at June 30, 1954, and the results of their operations for the year then ended, in conformity with generally accepted principles of governmental accounting applied on a basis consistent with that of the preceding year.

Touche, Niven, Bailey & Smart
Certified Public Accountants

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

COMBINING BALANCE SHEET

June 30, 1954

<u>ASSETS</u>	<u>Combined</u>	<u>Elimina- tions</u>	<u>Water Department</u>	<u>Hetch Hetchy Water Supply and Power Project</u>
PROPERTY, PLANT, AND EQUIPMENT (Note A):				
Properties in service (including \$5,958,543 water rights and other intangible properties)	\$218,506,532		\$96,756,187	\$121,750,345
Properties not in service	<u>1,285,689</u>		<u>816,960</u>	<u>468,729</u>
	\$219,792,221		\$97,573,147	\$122,219,074
Less accumulated depreciation	<u>63,880,871</u>		<u>31,808,808</u>	<u>32,072,063</u>
	\$155,911,350		\$65,764,339	\$ 90,147,011
Construction in progress	<u>3,769,392</u>		<u>709,651</u>	<u>3,059,541</u>
TOTAL PROPERTY, PLANT, AND EQUIPMENT	\$159,680,542		\$66,473,990	\$ 93,206,552
CASH:				
Cash deposited with Treasurer	\$ 17,330,379		\$ 6,070,465	\$ 11,259,914
Revolving funds	<u>34,000</u>		<u>30,000</u>	<u>4,000</u>
Cash in transit	<u>184,355</u>			<u>184,355</u>
TOTAL CASH	\$ 17,548,734		\$ 6,100,465	\$ 11,448,269
ACCOUNTS RECEIVABLE:				
Consumers' accounts (Note B)	\$ 1,245,422		\$ 1,102,891	\$ 142,531
Other accounts	<u>163,379</u>		<u>136,390</u>	<u>26,989</u>
	\$ 1,408,801		\$ 1,239,281	\$ 169,520
Less allowance for doubtful accounts	<u>125,373</u>		<u>125,373</u>	
TOTAL ACCOUNTS RECEIVABLE	\$ 1,283,428		\$ 1,113,908	\$ 169,520
DUE FROM CITY AND COUNTY OF SAN FRANCISCO:				
Other public service departments	\$ 191,575	\$396,087	\$ 328,986	\$ 258,676
General departments and funds	<u>2,335</u>		<u>1,678</u>	<u>657</u>
TOTAL DUE FROM CITY AND COUNTY OF SAN FRANCISCO	\$ 193,910	\$396,087	\$ 330,664	\$ 259,333
DEFERRED CHARGES AND OTHER ASSETS:				
Materials and supplies	\$ 504,209		\$ 458,668	\$ 45,541
Deferred maintenance and development costs	<u>63,976</u>		<u>825</u>	<u>63,151</u>
Deposits and other accounts	<u>59,025</u>		<u>55,792</u>	<u>3,233</u>
TOTAL DEFERRED CHARGES AND OTHER ASSETS	\$ 627,210		\$ 515,285	\$ 111,925
	<u>\$179,333,824</u>	<u>\$396,087</u>	<u>\$74,534,312</u>	<u>\$105,195,599</u>

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECTCOMBINING BALANCE SHEET

June 30, 1954

<u>LIABILITIES</u>	<u>Combined</u>	<u>Elimina- tions</u>	<u>Water Department</u>	<u>Hetch Hetchy Water Supply and Power Project</u>
BONDED DEBT (Note C):				
Maturing within one year	\$ 5,217,000		\$ 1,000,000	\$ 4,217,000
Maturing after June 30, 1955	<u>67,788,000</u>		<u>16,000,000</u>	<u>51,788,000</u>
TOTAL BONDED DEBT	\$ 73,005,000		\$ 17,000,000	\$ 56,005,000
ACCRUED BOND INTEREST	\$ 1,180,911		\$ 382,500	\$ 798,411
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:				
Matured bonds and interest coupons not presented for payment	\$ 142,001		\$ 42,530	\$ 99,471
Warrants outstanding	777,069		310,368	466,701
Accounts payable	282,505		88,112	194,393
Income taxes and other amounts withheld from employees	58,420		34,258	24,162
Amounts retained under construction contracts	153,659		36,395	117,264
Consumers' deposits and construction advances	190,852		190,852	
Rent accrued under Raker Act	<u>15,000</u>			<u>15,000</u>
TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 1,619,506		\$ 702,515	\$ 916,991
DUE TO CITY AND COUNTY OF SAN FRANCISCO:				
Other public service departments	\$ 43,564	\$ 396,087	\$ 102,049	\$ 337,602
General departments and funds	<u>350,581</u>		<u>39,868</u>	<u>310,713</u>
TOTAL DUE TO CITY AND COUNTY OF SAN FRANCISCO	\$ 394,145	\$ 396,087	\$ 141,917	\$ 648,315
RESERVES:				
Workmen's compensation claims and other costs (Note D)	\$ 220,221		\$ 198,087	\$ 22,134
Other	<u>119,665</u>		<u>119,665</u>	
TOTAL RESERVES	\$ 339,886		\$ 317,752	\$ 22,134
SURPLUS (Investment of City and County of San Francisco)	\$102,794,376		\$55,989,628	\$ 46,804,748
COMMITMENTS AND CONTINGENT LIABILITIES (Notes B and D):				
Commitments under contracts and purchase orders	\$8,150,000			
Less deferred charges for materials, supplies, and construction costs	<u>8,150,000</u>			
	<u>\$179,333,824</u>	<u>\$396,087</u>	<u>\$74,534,312</u>	<u>\$105,195,599</u>

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECTCOMBINING STATEMENT OF SURPLUS

Year ended June 30, 1954

	<u>Combined</u>	<u>Water Department</u>	<u>Hetch Hetchy Water Supply and Power Project</u>
BALANCE AT JULY 1, 1953	\$ 97,507,525	\$50,952,198	\$46,555,327
ADDITIONS:			
Excess of revenues over expenses	5,278,894	3,688,874	1,590,020
Advances from federal government for Cherry Valley Reservoir project (Note A)	210,210		210,210
Properties acquired without cost to the department	<u>36,737</u>	<u>36,737</u>	
	\$103,033,366	\$54,677,809	\$48,355,557
DEDUCTION:			
Adjustment resulting from appraisal of properties as of June 30, 1953 (Note A)	<u>238,990</u>	<u>188,291</u>	<u>50,699</u>
	\$102,794,376	\$54,489,518	\$48,304,858
INTERDEPARTMENTAL TRANSFERS			
(Charges* or credits):			
For cost of properties placed in service with Water Department (Paid from proceeds of 1947 Hetch Hetchy Water Bonds)		\$ 1,934,988	\$ 1,934,988*
For portion of bond redemption and interest on 1947 Hetch Hetchy Water Bonds applicable to properties in service with Water Department:			
Bond redemption		403,931*	403,931
Interest		<u>30,947*</u>	<u>30,947</u>
TOTAL INTERDEPARTMENTAL TRANSFERS		<u>\$ 1,500,110</u>	<u>\$ 1,500,110*</u>
BALANCE AT JUNE 30, 1954	<u>\$102,794,376</u>	<u>\$55,989,628</u>	<u>\$46,804,748</u>

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECTCOMBINING STATEMENT OF REVENUES AND EXPENSES

Year ended June 30, 1954

	<u>Combined</u>	<u>Eliminations</u>	<u>Water Department</u>	<u>Hetch Hetchy Water Supply and Power Project</u>
OPERATING REVENUES:				
Sales of water and services	\$12,133,574	\$3,545,590	\$12,133,574	\$3,545,590
Sales of electrical energy	<u>4,289,746</u>			<u>4,289,746</u>
TOTAL OPERATING REVENUES	\$16,423,320	\$3,545,590	\$12,133,574	\$7,835,336
OPERATING EXPENSES:				
Production expenses	\$ 451,596			\$ 451,596
Stand-by charge and purchases of water		\$3,545,590	\$ 3,545,590	
Purchases of electrical energy	545,607			545,607
Source of water supply	393,602		393,602	
Pumping	379,634		379,634	
Purification	144,534		144,534	
Transmission and distribution of water	965,134		965,134	
Transmission and distribution of power	1,304,791			1,304,791
Commercial expenses	611,132		596,344	14,788
Administrative and general expenses	1,698,569		1,231,534	467,035
Provision for doubtful accounts	<u>59,278</u>		<u>59,278</u>	
Depreciation	\$ 6,553,877	\$3,545,590	\$ 7,315,650	\$2,783,817
	<u>2,889,915</u>		<u>1,077,970</u>	<u>1,811,945</u>
TOTAL OPERATING EXPENSES	\$ 9,443,792	\$3,545,590	\$ 8,393,620	\$4,595,762
	\$ 6,979,528		\$ 3,739,954	\$3,239,574
OTHER REVENUES:				
Gain from sales of properties	\$ 547,258		\$ 544,347	\$ 2,911
Rentals received, including sales of crops	350,638		320,638	30,000
Interest earned	18,750		18,750	
Miscellaneous	<u>63,214</u>		<u>39,358</u>	<u>23,856</u>
TOTAL OTHER REVENUES	\$ 979,860		\$ 923,093	\$ 56,767
	\$ 7,959,388		\$ 4,663,047	\$3,296,341
OTHER EXPENSES:				
Interest on bonded debt	\$ 2,620,436		\$ 914,115	\$1,706,321
Agricultural division and crop expense	48,842		48,842	
Miscellaneous	<u>11,216</u>		<u>11,216</u>	
TOTAL OTHER EXPENSES	\$ 2,680,494		\$ 974,173	\$1,706,321
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 5,278,894</u>		<u>\$ 3,688,874</u>	<u>\$1,590,020</u>

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECTNOTES TO FINANCIAL STATEMENTS

Year ended June 30, 1954

NOTE A - Property, Plant, and Equipment

The Charter of the City and County of San Francisco provides in Section 128 that the Public Utilities Commission is to make an appraisal of the properties and a redetermination of depreciation every five years. Accordingly, the results of the initial appraisal as of June 30, 1938, and of subsequent appraisals, are reflected in the accounts at June 30, 1954. Adjustments arising from the appraisal made as of June 30, 1953 were recorded during the current year and resulted in a net charge to combined surplus of \$238,990. Additions to properties subsequent to the respective appraisal dates have been recorded at cost and subsequent annual depreciation provisions have been based on redetermined depreciation rates. The carrying amount of the properties and the accumulated depreciation at June 30, 1954, are subject to further review and adjustment by the Public Utilities Commission in 1958, and every five years thereafter so long as Section 128 of the Charter is effective.

Total additions to combined properties in service during the year ended June 30, 1954, amounted to \$6,196,639. A summary of the major additions follows:

Water Department:

Lake Merced pump station	\$1,260,555
Sunset Supply Line:	
Millbrae to Burlingame section	1,153,109
Baden to Millbrae section	955,023
Water mains, service connections, and related appurtenances	1,152,835
Alameda Creek siphon	525,466
Bay Division Pipeline No. 3	63,228
Mt. Davidson pump station	45,793
Land and rights of way	33,882
Other	<u>136,948</u>

Total Water Department	\$5,326,839
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Hetch Hetchy Water Supply and Power Project:

Relining of San Joaquin Pipeline No. 1	\$ 669,743
Cherry Valley access roads	86,496
Installation of transformers	24,106
South Fork maintenance facilities	16,225
Other	<u>73,230</u>

Total Hetch Hetchy Water Supply and Power Project	\$ 869,800
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Total additions	<u>\$6,196,639</u>
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A summary of properties in service and properties not in service, and related accumulated depreciation at June 30, 1954, follows:

	<u>Properties</u>	<u>Accumulated Depreciation</u>
Properties in service:		
Water Department:		
Water rights and other intangible properties	\$ 3,222,913	
Land and rights of way	14,057,009	
Buildings, structures, and grounds	1,512,845	\$ 755,494
Source of water supply	29,156,774	7,966,113
Pumping station equipment	1,379,553	324,849
Purification system	248,079	92,488
Transmission and distribution system	45,607,430	21,452,737
General equipment	298,617	171,982
Automotive equipment	387,151	237,071
Undistributed interest during construction	<u>885,816</u>	<u>295,127</u>
Total Water Department	\$ 96,756,187	\$31,295,861
Hetch Hetchy Water Supply and Power Project:		
Water supply properties:		
Water rights and other intangible properties	\$ 2,735,630	
Land and rights of way	2,700,952	\$ 52,999
Buildings, structures, and grounds	573,689	129,185
Source of water supply	102,113,753	24,293,589
Purification system	37,314	24,872
General equipment	<u>313,919</u>	<u>187,989</u>
Total water supply properties	\$108,475,257	\$24,688,634
Power properties:		
Land and rights of way	\$ 143,539	
Buildings, structures, and grounds	1,899,174	\$ 1,015,915
Hydraulic production plant	8,227,251	4,190,558
Transmission system	2,663,384	2,068,577
General equipment	<u>341,740</u>	<u>77,159</u>
Total power properties	\$ 13,275,088	\$ 7,352,209
Total Hetch Hetchy Water Supply and Power Project	<u>\$121,750,345</u>	<u>\$32,040,843</u>
Total properties in service	\$218,506,532	\$63,336,704
Properties not in service:		
Water Department	\$ 816,960	\$ 512,947
Hetch Hetchy Water Supply and Power Project	<u>468,729</u>	<u>31,220</u>
Total properties not in service	\$ 1,285,689	\$ 544,167
	<u>\$219,792,221</u>	<u>\$63,880,871</u>

A summary of construction in progress at June 30, 1954, follows:

Water Department:

Replacement of portion of Crystal Springs Pipeline	\$ 221,422
Summit Reservoir	212,515
Guadalupe by-pass	137,166
Other	<u>138,548</u>
Total Water Department	\$ 709,651

Hetch Hetchy Water Supply and Power Project:

Cherry Valley Reservoir	\$2,888,437
Reconstruction of Moccasin penstock anchors	64,947
Sunset Supply Line	63,707
Other	<u>42,450</u>

Total Hetch Hetchy Water Supply and Power Project	<u>\$3,059,541</u>
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Total construction in progress	<u>\$3,769,192</u>
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Major construction projects in progress at June 30, 1954, have estimated total costs of \$19,000,000. Costs to complete these projects, exclusive of amounts representing portions placed in service and construction in progress, are estimated at \$13,000,000 at that date.

The costs of construction of the Cherry Valley Reservoir and appurtenant facilities are estimated at \$14,000,000. A portion of the funds necessary for construction is provided by the federal government under provisions of a contract, dated August 29, 1949, between the federal government and the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District, relating to facilities for additional protection against floods of the Tuolumne River. A further portion of the funds necessary for construction is provided by the City and County of San Francisco under an authorized bond issue of \$4,000,000.

The funds from the federal government for the flood protection program under the contract dated August 29, 1949, are estimated in the contract at \$12,000,000. By supplemental agreement between the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District, \$9,000,000 of the funds to be received from the federal government are to be expended toward the construction of Cherry Valley Reservoir and appurtenances, and the remainder of such funds in the amount of \$3,000,000 are to be expended toward the construction of a new dam and reservoir at Don Pedro. At June 30, 1954, the federal government had paid \$7,113,350 pursuant to the contract. The payments received have been included in surplus of the Hetch Hetchy Water Supply and Power Project in the fiscal years received, upon advice of the City Attorney. The conditions of the contract with the federal government are subject, on the part of the government, to the authorization and

the appropriation by Congress of funds for the accomplishment of the objectives of the contract. As of July 29, 1953, the amount authorized by Congress was \$10,500,000, of which \$8,469,900 has been appropriated.

The supplemental agreement between the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District provides generally that title to the Cherry Valley Reservoir will vest in the City and County of San Francisco. This agreement further provides that the City and County of San Francisco will participate in the construction of a new Don Pedro Dam and Reservoir, title to which will vest in the irrigation districts. Participation in the construction of the new dam and reservoir at Don Pedro is subject, on the part of the City and County of San Francisco, to the fiscal provisions of its Charter and prior approval by the electors.

NOTE B - Accounts Receivable

Revenues for water and power services furnished to consumers are taken into income when they are billed. In general, major industrial consumers of water and consumers of electric energy are billed each month, and residential and small industrial consumers of water are billed bi-monthly.

The Water Department has billed certain of its consumers additional amounts aggregating \$219,038 for water furnished in the period generally from November, 1950, to June, 1954, following a legal opinion of the City Attorney that contracts with these consumers, providing for delivery of water at discounts or free of charge, were illegal and unenforceable. Losses which may be incurred in the collection of these billings have been provided for in the accompanying financial statements. Certain of the consumers affected by these billings have filed claims against the City and County of San Francisco for damages, and a test case has been filed contesting the legality of the action taken by the City in cancelling such contracts. No provision has been made in the accompanying financial statements for damages, if any, resulting from these claims and the suit filed, which are being defended by the City Attorney.

NOTE C - Bonded Debt

Unmatured bonded debt of the City and County of San Francisco applicable to the Water Department and the Hetch Hetchy Water Supply and Power Project aggregates \$73,005,000 at June 30, 1954. The bonds have been issued upon the general faith and credit of the City and County of San Francisco in accordance with resolutions adopted by the Board of Supervisors following authorization by the electors.

A summary of bonded debt at June 30, 1954, follows:

Water Department:	
Spring Valley - 1928, 4-1/2%	\$17,000,000
Hetch Hetchy Water Supply and Power Project:	
Water - 1910, 4-1/2%	\$11,000,000
Hetch Hetchy Water - 1925, 5%	3,750,000
Hetch Hetchy - 1928, 4-1/2%	14,400,000
Hetch Hetchy - 1932, 2-3/4% to 5-3/4%	3,300,000
1947 Hetch Hetchy Water, Series A - 1948, 2% and 2-1/2%	5,250,000
1947 Hetch Hetchy Water, Series C - 1949, 1-1/4%	1,350,000
1947 Hetch Hetchy Water, Series D - 1949, 1% to 1-1/2%	7,648,000
1947 Hetch Hetchy Water, Series E - 1950, 1-1/4% and 1-1/2%	3,782,000
1947 Hetch Hetchy Water, Series F - 1953, 2-1/4% to 6%	1,700,000
1949 Cherry Valley Dam, Series A - 1952, 1-1/4% and 1-1/2%	900,000
1949 Cherry Valley Dam, Series B - 1952, 1-1/2% and 1-3/4%	<u>2,925,000</u>
Total Hetch Hetchy Water Supply and Power Project	<u>\$56,005,000</u>
Total unmatured bonded debt	<u>\$73,005,000</u>

In general, the bonds mature serially at varying annual amounts through the fiscal year ending June 30, 1978. A summary of maturities for the succeeding five years follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
1955	\$5,217,000
1956	5,217,000
1957	4,973,000
1958	4,972,000
1959	4,972,000

NOTE D - Contingent Liabilities

Contingent liabilities as of June 30, 1954, are as follows:

The departments act as self-insurers generally against casualty losses of property; against public liability, property damage, and workmen's compensation claims; and against water contamination damage losses. The ultimate losses under these self-insured risks are indeterminable. Reserves aggregating \$220,221, at June 30, 1954, have been established to provide generally for workmen's compensation, public liability, and property damage claims and, in addition, to provide for vacations and sick leave of certain employees, the total liability for which is indeterminable.

Under retirement plan arrangements, authorized by the electors, payments of approximately \$352,000 were made in the year ended June 30, 1954, to the Employees' Retirement System to cover a portion of the cost of the plan for present services for that year. The remainder of the cost of the plan, including prior service pension costs, is paid jointly by the participating employees and the City and County of San Francisco. The portion of the total cost applicable to the Water Department and the Hetch Hetchy Water Supply and Power Project is determined by consulting actuaries and is expressed as a percentage of the salaries and wages of participating employees.

NOTE E - General

The accompanying financial statements include only those assets and liabilities of the City and County of San Francisco designated and recorded as employed in the operations of the Water Department and the Hetch Hetchy Water Supply and Power Project.

Under provisions of Section 122 of the Charter, the Hetch Hetchy Water Supply and Power Project is to be merged, upon its completion, with the Water Department. In the opinion of the City Attorney, this project had not been completed at June 30, 1954.

During the year ended June 30, 1954, water furnished to certain municipal departments without charge amounted to approximately \$685,000, computed by the Water Department at regular billing rates. This amount has been computed in token of compliance with Section 64 of the Charter which provides generally for an estimate of the amount of property and other taxes for which utilities would be liable if privately owned.



Municipal Railway of San Francisco



REPORT ON EXAMINATION
FOR THE YEAR ENDED
JUNE 30, 1954

L. H. PENNEY & CO.
CERTIFIED PUBLIC ACCOUNTANTS

San Francisco, California

October 4, 1954

Honorable H. D. Ross,
Controller, City and
County of San Francisco,
San Francisco, California.

Dear Sir:

We have examined the financial statements of the
Municipal Railway of San Francisco listed below:

EXHIBIT A - Balance Sheet, June 30, 1954

Schedule A-1 - Summary of Road and Equipment for the
Year Ended June 30, 1954

Schedule A-2 - Summary of Road and Equipment
Depreciation for the Year
Ended June 30, 1954

Schedule A-3 - Notes to Schedule A-1 and A-2

Schedule A-4 - Unmatured Bonded Debt,
June 30, 1954

EXHIBIT B - Statement of Income for the Years Ended
June 30, 1954 and 1953, and Comparison

EXHIBIT C - Statement of Surplus for the Year
Ended June 30, 1954

Our examination was made in accordance with generally
accepted auditing standards and accordingly included such tests
of the accounting records and such other auditing procedures
as we considered necessary in the circumstances.

Our report and working papers have been made available
to Mr. David F. Supple, consultant and statistician for the
Grand Jury.

In our opinion, the accompanying financial statements
present fairly the financial position of the Municipal Railway
of San Francisco at June 30, 1954, and the results of its
operations for the fiscal year then ended, on a basis consistent
with that of the previous year.

Very truly yours,

L. H. Penney & Co.

OPERATIONS

The following comments are submitted for the purpose of further amplification and explanation of the financial statements and to set forth the apparent causes of certain operating results. Much of the statistical data contained in these comments has been obtained from records maintained by the Railway without verification by us.

The operations of the Railway for the year ended June 30, 1954 resulted in a loss of \$882,472.90 as compared with a profit of \$497,968.93 for the preceding year. A condensed summary and comparison of the results of operations for the years ended June 30, 1954 and 1953, is as follows (cents omitted).

	--Year Ended June 30,--		Increase
	<u>1954</u>	<u>1953</u>	(Decrease)
Operating income:			
Passenger revenue	\$21,976,748	\$23,328,179	(\$1,351,431)
Advertising, rents, etc.	<u>160,877</u>	<u>163,802</u>	(<u>2,925</u>)
Total operating income	\$22,137,625	\$23,491,981	(\$1,354,356)
Operating expenses	<u>22,682,179</u>	<u>22,850,967</u>	(<u>168,788</u>)
Profit (loss)			
from operations	(\$ 544,554)	\$ 641,014	(\$1,185,568)
Other income	<u>24,498</u>	<u>154,072</u>	(<u>129,574</u>)
Remainder	(\$520,056)	\$795,086	(\$1,315,142)
Other expense	<u>362,417</u>	<u>297,117</u>	<u>65,300</u>
Profit (loss) for the year	(\$ <u>882,473</u>)	\$ <u>497,969</u>	(\$ <u>1,380,442</u>)

The decrease in passenger revenue was largely attributable to a decrease in the number of fare passengers carried. The basic cash fare of fifteen cents remained unchanged during the year except that a five cent Shoppers' Shuttle Bus service, with no transfer privilege, was put into effect on September 14, 1953 in the downtown area between the hours of 10:00 A. M. and 3:30 P. M. on weekdays.

The following summary, taken from statistical records of the Railway, shows the mileage traversed during the past two years by the various types of equipment.

<u>Type of Equipment</u>	-----Year Ended June 30,-----				
	-----1954-----	Per Cent	-----1953-----	Per Cent	Decrease
	<u>Mileage</u>	<u>of Total</u>	<u>Mileage</u>	<u>of Total</u>	<u>Mileage</u>
Motor coaches	14,777,994	49.97	14,981,737	49.03	203,743
Trolley coaches	9,966,056	33.69	10,590,388	34.66	624,332
Electric street cars	4,039,163	13.66	4,147,560	13.58	108,397
Cable cars	<u>792,261</u>	<u>2.68</u>	<u>834,209</u>	<u>2.73</u>	<u>41,948</u>
Totals	<u>29,575,474</u>	<u>100.00</u>	<u>30,553,894</u>	<u>100.00</u>	<u>978,420</u>

The hours the various types of equipment were operated, as compiled by the Railway, are shown by the following summary.

<u>Type of Equipment</u>	-----Year Ended June 30,-----				
	-----1954-----	Per Cent	-----1953-----	Per Cent	Decrease
	<u>Hours</u>	<u>of Total</u>	<u>Hours</u>	<u>of Total</u>	<u>Hours</u>
Motor coaches	1,486,362	45.81	1,592,132	45.45	105,770
Trolley coaches	1,190,709	36.70	1,304,922	37.25	114,213
Electric street cars	428,885	13.22	459,209	13.11	30,324
Cable cars	<u>138,343</u>	<u>4.27</u>	<u>146,559</u>	<u>4.19</u>	<u>8,216</u>
Totals	<u>3,244,299</u>	<u>100.00</u>	<u>3,502,822</u>	<u>100.00</u>	<u>258,523</u>

The overall reduction in both miles traveled and hours operated results primarily from the discontinuance of certain lines and the curtailment of service on various routes during off-peak hours.

Operating income and expenses are expressed in cents per mile traversed as follows.

-----Cents Per Mile-----
 Year Ended June 30, Increase
1954 1953 (Decrease)

Operating income:

Passenger revenue	74.307	76.351	(2.044)
Advertising, rents, etc.	<u>.544</u>	<u>.536</u>	<u>.008</u>
Total operating income	<u>74.851</u>	<u>76.887</u>	<u>(2.036)</u>

Operating expenses:

Maintenance and repairs -

Ways and structures	2.548	2.217	.331
Equipment	<u>7.575</u>	<u>7.182</u>	<u>.393</u>

Total maintenance and repairs	10.123	9.399	.724
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Power	7.805	7.287	.518
Conducting transportation	38.464	36.963	1.501
General and miscellaneous	7.912	8.700	(.788)
Taxes	<u>.682</u>	<u>.566</u>	<u>.116</u>

	64.986	62.915	2.071
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Provision for accident claims	5.573	5.726	(.153)
Provision for depreciation	<u>6.134</u>	<u>6.148</u>	<u>(.014)</u>

Total operating expense	<u>76.693</u>	<u>74.789</u>	<u>1.904</u>
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Profit (loss) from operations	<u>(1.842)</u>	<u>2.098</u>	<u>(3.940)</u>
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Operating income and expenses are expressed in dollars per hour of operation as follows:

	-----Dollars Per Hour-----		
	Year Ended June 30,		Increase
	<u>1954</u>	<u>1953</u>	(<u>Decrease</u>)
Operating income:			
Passenger revenue	6.774	6.659	.115
Advertising, rents, etc.	<u>.049</u>	<u>.047</u>	<u>.002</u>
Total operating income	<u>6.823</u>	<u>6.706</u>	<u>.117</u>
Operating expenses:			
Maintenance and repairs -			
Ways and structures	.232	.193	.039
Equipment	<u>.691</u>	<u>.627</u>	<u>.064</u>
Total maintenance and repairs	.923	.820	.103
Power	.711	.636	.075
Conducting transportation	3.507	3.224	.283
General and miscellaneous	.721	.759	(.038)
Taxes	<u>.062</u>	<u>.049</u>	<u>.013</u>
	5.924	5.488	.436
Provision for accident claims	.508	.499	.009
Provision for depreciation	<u>.559</u>	<u>.536</u>	<u>.023</u>
Total operating expense	<u>6.991</u>	<u>6.523</u>	<u>.468</u>
Profit (loss) from operations	(.168)	.183	.351

The decrease in operating expense for the year ended June 30, 1954 as compared with that of the previous year for each of the major expense classifications, segregated between pay roll and other costs, is as follows (cents omitted):

	Increase (Decrease) ----In Operating Expense----		
	<u>Total</u>	<u>Pay Roll</u>	<u>Other</u>
Maintenance and repairs:			
Ways and structures	\$ 76,125	\$ 25,322	\$ 50,803
Equipment	<u>46,102</u>	<u>73,752</u>	(<u>27,650</u>)
	\$122,227	\$ 99,074	\$ 23,153
Power	81,645	3,479	78,166
Conducting transportation	82,296	82,210	86
General and miscellaneous	(318,030)	19,003	(337,033)
Taxes	<u>28,754</u>	<u> </u>	<u>28,754</u>
	(\$ 3,108)	\$203,766	(\$206,874)
Provision for accident claims	(101,350)		(101,350)
Provision for depreciation	(<u>64,329</u>)	<u> </u>	(<u>64,329</u>)
Increase (decrease) in operating expense	(<u>\$168,787</u>)	<u>\$203,766</u>	(<u>\$372,553</u>)

The increase in pay roll costs resulted primarily from the increases in rates of pay effective as of July 1, 1953. The rate of pay for platform men, whose wages are the major portion of the Railway's pay roll cost, were increased slightly more than three per cent on July 1, 1953. The comparative rates for some of the principal pay roll classifications for the year under review and for the preceding year are as follows.

<u>Classification</u>	-----Rates Effective-----		
	<u>Per</u>	<u>July 1, 1953</u>	<u>July 1, 1952</u>
Platform men	Hour	\$ 1.894	\$ 1.835
Trackmen	Day	16.00	14.80
Shop mechanics	Day	17.00	15.98
Senior shop mechanics	Day	20.00	18.80
Automotive mechanics	Week	94.50	94.50
Automotive machinists	Week	99.50	99.50
Car cleaners and janitors	Month	245-295	230-280
Inspectors	Month	350-400	320-370
General clerks	Month	260-320	240-300

The principal reason for the decrease in general and miscellaneous expense of \$337,033 was a rate reduction in the pension contribution to the Retirement System from 8.963% of pay rolls in the fiscal year 1952-1953 to 6.502% in the fiscal year 1953-1954. The reduction amounted to \$292,412.36.

BALANCE SHEET

The financial position of the Railway at June 30, 1954 is summarized and compared with the financial position at June 30, 1953, as follows.

	-----June 30,-----	Increase (Decrease)
	<u>1954</u>	<u>1953</u>
Assets:		
Fixed capital		
(Net book value)	\$19,124,321.49	\$20,729,386.10 (\$1,605,064.61)
Cash	2,124,372.62	3,174,730.61 (1,050,357.99)
Accounts receivable	76,827.22	69,363.95 7,463.27
Deferred charges -		
Materials and supplies	746,433.26	782,535.44 (36,102.18)
Other items	42,015.34	70,717.48 (28,702.14)
Commitments	<u>115,918.77</u>	<u>185,625.75</u> (69,706.98)
<u>Total</u>	<u>\$22,229,888.70</u>	<u>\$25,012,359.33</u> (<u>\$2,782,470.63</u>)
Liabilities and Surplus:		
Bonded debt	\$15,498,200.00	\$17,044,200.00 (\$1,546,000.00)
Bond		
interest payable	104,842.08	112,593.75 (7,751.67)
Accounts payable,		
commitments, etc.	1,484,714.74	1,593,015.86 (108,301.12)
Reserves	3,086,549.90	3,255,897.30 (169,347.40)
Deferred credits	14,730.10	13,284.09 1,446.01
Contributed surplus	8,340,917.62	8,340,917.62
Deficit from		
operations	(6,300,065.74)	(5,347,549.29) (952,516.45)
<u>Total</u>	<u>\$22,229,888.70</u>	<u>\$25,012,359.33</u> (<u>\$2,782,470.63</u>)

The decrease in cash at June 30, 1954, as compared with June 30, 1953, is explained by the following summary of funds applied and funds provided.

Funds applied:

Net loss for year ended June 30, 1954	\$ 882,472.90
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Less charges to expense accounts not involving disbursements of cash -

Provision for depreciation	\$1,814,263.97	
Adjustment of valuation of materials and supplies to estimated salvage or useful values	<u>5,957.00</u>	<u>1,820,220.97</u>

Increase in funds due to operations	\$ 937,748.07
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Additions to fixed assets	\$ 294,444.51
Redemption of bonded indebtedness	1,546,000.00
Decrease in accounts payable	38,594.14
Decrease in bond interest payable	7,751.67

Decrease in reserves -

Accident claims	129,638.90
Employees' compensation claims	40,000.00
Uncollectible accounts receivable	142.01

Increase in accounts receivable	7,321.26
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Adjustment of prior year's operations	<u>70,043.55</u>	<u>2,133,936.04</u>	\$1,196,187.97
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Less funds provided:

Decrease in material and supplies	\$30,145.18	
Decrease in deferred charges	28,702.14	
Increase in reserve for token liability	291.50	
Increase in deferred credits	1,446.01	
Net book value of fixed capital retired	<u>85,245.15</u>	<u>145,829.98</u>

Decrease in cash at June 30, 1954	<u>\$1,050,357.99</u>
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ROAD AND EQUIPMENT - \$43,112,667.85

ACCUMULATED DEPRECIATION - \$24,126,500.52

The recorded value of the Railway's investment in fixed assets, other than construction work in progress at June 30, 1954, is set forth in the accompanying Schedule A-1. The related depreciation is shown in Schedule A-2.

A substantial portion of the fixed assets is recorded in the accounts at appraisal valuations as of various dates determined by the Public Utilities Commission of the City and County of San Francisco.

Properties acquired prior to June 30, 1938 are recorded at appraisal valuations as of that date. Additions to property, subsequent to June 30, 1938, are recorded substantially at cost with the exception of the Market Street Extension which was recorded at the appraisal valuations as of September 29, 1944. Properties acquired from California Street Cable Railway Company were purchased with general funds of the City and County of San Francisco for \$150,000.00 and contributed to the Railway.

In accordance with Section 128 of the Charter, an appraisal of the properties of the Railway was made as at June 30, 1953 to determine the values, the probable useful life, and the reasonable annual depreciation based upon a revision of the previous appraisal made as at June 30, 1948. The net adjustments to the recorded costs and depreciation reserves resulting from this appraisal are shown on Schedule A-1 and A-2.

The engineering report, made by the Public Utilities Commission engineers in connection with the appraisal, indicated that the recorded cost of nonoperated Way and Structure property amounted to \$2,497,988.49. This property was fully depreciated as at June 30, 1953.

It was recommended that the Railway transfer the recorded costs and related depreciation reserves from the road and equipment accounts to a miscellaneous physical property account in order that the property accounts might reflect only the value of the property which is being operated.

It is the practice of the Railway to make its first provision for depreciation of an addition to fixed assets in the year following that in which the asset is put in service, and to charge income with a full year's provision in the year of retirement.

The estimated useful life was revised in connection with the appraisal and the annual depreciation for the current year was adjusted to conform with the amount shown in the appraisal.

Additions to road and equipment during the year ended June 30, 1954 are as follows.

Way and structures:

Reconstruction of tracks -

Clay and Powell Streets,		
Washington and Powell Streets	\$ 70,852.32	
Van Ness and Market Streets, and		
Van Ness and Geary Streets	18,579.83	
Market Street, lower Market, and		
Market at Castro Streets	<u>85,247.45</u>	\$174,679.60

Construction and alterations		
to trolley coach overheads		68,292.92

Other		<u>14,788.74</u>
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Total Way and Structures		\$257,761.26
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Equipment:

Spare equipment for		
unit assembly	\$8,979.71	
Shop equipment	3,114.90	
Furniture and office equipment	1,290.73	
Automotive and miscellaneous		
service equipment	<u>6,857.97</u>	<u>20,243.31</u>

Total		<u>\$278,004.57</u>
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Recorded retirements are as follows.

	<u>Road and Equipment</u>	<u>Depreciation To Date Of Retirement</u>
Way and structures:		
Rights of way -		
Parcel #5 - Sloat Boulevard, Nineteenth Avenue to Great Highway	\$ 43,200.00	
Parcel #6 - Sloat Boulevard, St. Francis Circle to Nineteenth Avenue	4,200.00	
Tracks, etc. -		
Cable tracks on Powell, Jackson and Washington Loop	2,730.88	\$ 761.10
Lower Market Street and Market at Castro Streets	265,186.96	262,040.93
Ellis Street from Market Street to Divisadero Street	163,901.89	163,381.42
Clement Street from Park, Presidio Boulevard to Thirty-Second Avenue	154,689.92	154,322.33
Turk Street; Divisadero to Arguello Boulevard, Arguello Boulevard, Turk Street to Balboa Street; Balboa Street; Arguello Boulevard to Thirty-First Avenue	276,333.77	273,800.16
Eleventh Street from Market Street to Division Street and on Potrero Avenue from Division Street to Sixteenth Street	91,848.72	89,903.96
Bryant Street from Second Street to Division Street	180,505.83	179,371.31
Powell Street cable line on Washington Street between Mason Street and Powell Streets, on Jackson Street between Powell and Mason Streets; and on Powell Street between Washington and Jackson Streets	18,112.25	18,112.25
Trolley poles at various locations	72,666.71	64,708.49
Other, including sundry buildings, tracks, etc.	<u>25,381.36</u>	<u>11,121.62</u>
Total Way and Structures	<u>\$1,298,758.29</u>	<u>\$1,217,523.57</u>
Equipment:		
Six California type cable cars	\$ 66,415.50	\$ 66,415.50
Various shop equipment	49,982.49	46,300.73
Other	<u>2,086.95</u>	<u>1,917.28</u>
Total Equipment	<u>\$ 118,484.94</u>	<u>\$ 114,633.51</u>
Balance Forward	<u>\$1,417,243.23</u>	<u>\$1,332,157.08</u>

	Road and Equipment	Depreciation to Date of Retirement
Balance Brought Forward	\$1,417,243.23	\$1,332,157.08
Power:		
Two 3-wire 11 K. V. transmission lines on Fillmore Street - Broadway to Lombard Streets	\$ 3,188.00	\$ 3,029.00
Total Power	\$ 3,188.00	\$ 3,029.00
Total	\$1,420,431.23	\$1,335,186.08

Comments on other items on the balance sheet follow.

CASH - \$2,124,372.62

Cash at June 30, 1954 consisted of the following.

On deposit with the Treasurer of
the City and County of San Francisco:

1947 Municipal Railway Rehabilitation bond fund	\$ 251,917.94
Operating fund	1,825,330.93
Bond interest funds	1,923.75
Bond redemption fund	<u>30,200.00</u>

Total on deposit with Treasurer	\$2,109,372.62
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Revolving funds	<u>15,000.00</u>
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Total cash	<u>\$2,124,372.62</u>
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The Controller's audit staff examined the accounts of the Treasurer as of June 30, 1954. Our verification of cash on deposit was, therefore, limited to a review of the working papers prepared by the Controller's audit staff.

Revolving fund bank accounts were reconciled by us with amounts certified to us directly by the depositories, and cash on hand was counted or confirmations were obtained from custodians for amounts shown to be in their possession.

ACCOUNTS RECEIVABLE - \$64,210.44

Accounts receivable at June 30, 1954 were summarized as follows.

Claims under excess liability	
insurance coverage	\$14,391.06
Advertising revenue	16,648.80
California State Harbor Commission	14,225.55
Charter services	15,854.51
Pole rentals	2,877.50
Other	<u>213.02</u>
Total	<u><u>\$64,210.44</u></u>

Requests for confirmation were mailed to various debtors with respect to balances included in the above summary; replies received were satisfactory. It appears that the amount of \$213.02 deducted for estimated uncollectibles is adequate to cover possible losses in collection of the accounts.

MATERIALS AND SUPPLIES - \$746,433.26

The amount shown under this caption is the aggregate book value of the inventories of materials and supplies, including \$26,034.44 for the value of metal tokens, as of June 30, 1954. This amount was determined by a tabulation of perpetual inventory records as of May 25, 1954, adjusted for subsequent receipts and issues to June 30, 1954. It is understood that physical counts were made by employees at various times during the year and that the perpetual inventory records were adjusted to such counts. Metal tokens have not been used in public circulation since April, 1949, and in the absence of any future use, it appears that these have only a scrap metal value. It is not conclusively established, however, that the tokens have no future usefulness.

We have made tests of the quantities in the inventory by physical counts, and have tested the pricing and computations. Our tests indicated that the inventories are priced at average cost, or as to certain items reduced from cost in prior years, at estimated scrap value.

The inventory of materials, other than metal tokens, was reviewed with the employees responsible for its preparation to determine the estimated obsolescence included therein. Based upon their opinion, the amount of \$5,957.00 has been provided for estimated obsolescence.

RESERVE FOR ACCIDENT CLAIMS - \$2,910,279.57

A summary of the changes in this reserve during the year ended June 30, 1954 is as follows.

Balance, July 1, 1953		\$3,039,918.47
Provision for accidents		<u>1,648,262.71</u>
Total		\$4,688,181.18
Less:		
Claims paid and miscellaneous expenses, net of recoveries from insurance carriers	\$1,295,678.87	
Services of City Attorney's office	114,970.00	
Claims department pay roll	155,803.38	
Cost of excess liability insurance coverage	<u>211,449.36</u>	<u>1,777,901.61</u>
Balance, June 30, 1954		<u><u>\$2,910,279.57</u></u>

RESERVE FOR EMPLOYEES'

COMPENSATION CLAIMS - \$170,000.00

The amount of this reserve has been established on the basis of information as to the amount of compensation claims of employees outstanding at June 30, 1954 as furnished by the City and County of San Francisco Employee Retirement System. We were informed that the decrease in this account of \$40,000.00, during the year, was primarily attributable to fewer claims being filed.

DEFERRED CREDITS - \$14,730.10

Deferred credits at June 30, 1954 consist of unamortized bond premium, \$9,374.23, and of miscellaneous minor items, aggregating \$5,355.87, final disposition of which is being deferred to subsequent periods.

EXHIBIT A

MUNICIPAL RAILWAY OF SAN FRANCISCO

BALANCE SHEET, JUNE 30, 1954

ASSETS		LIABILITIES	
FIXED CAPITAL:		BONDED DEBT:	
Road and equipment (Schedule A-1)	\$43,112,667.85	Unmatured bonds (Schedule A-4) -	
Less accumulated depreciation	24,126,500.52	Maturing within one year	\$ 1,600,000.00
to date (Schedule A-2)	\$18,986,167.33	Maturing subsequent to	13,868,000.00
Road and equipment, net book value		June 30, 1955	\$15,468,000.00
Construction work in progress	138,154.16	Total unmatured bonds	30,200.00
CASE:		Matured bonds not presented for payment	\$15,498,200.00
On deposit with treasurer	\$2,109,372.62		
Revolving funds	15,000.00	BOND INTEREST PAYABLE:	
ACCOUNTS RECEIVABLE	\$64,210.44	Accrued but not due	\$102,918.33
Less estimated uncollectibles	213.02	Matured coupons not presented for payment	1,923.75
INTERFUND ACCOUNTS RECEIVABLE:			104,842.08
Due from General City and County	\$ 420.71	ACCOUNTS PAYABLE, COMMITMENTS, ETC.:	
Due from other public service enterprises	12,409.09	Outstanding warrants and pay roll deductions	\$915,543.79
GENERAL CHARGES:		General creditors	198,741.31
Materials and supplies	\$746,443.26	Federal old age benefits accrued tax	34,995.49
Prepaid insurance premiums and other deferred charges	42,015.34	Accrued pay rolls and retroactive wages	10,821.30
Uncompleted contracts, purchase orders, interdepartmental work orders, and other commitments (see contra):		Total accounts payable and accrued liabilities	\$1,160,101.89
To outsiders	\$95,368.77	Uncompleted contracts, purchase orders, and other commitments (see contra)	95,368.77
To other city departments	20,550.00		1,255,470.66
		INTERFUND ACCOUNTS PAYABLE AND COMMITMENTS:	
		Due to General City and County	\$149,437.95
		Due to other public service enterprises	39,256.13
		Total interfund accounts payable	\$208,694.08
		Uncompleted work orders to other city departments (see contra)	20,550.00
			229,244.08
		RESERVES:	
		Accident claims	\$2,910,279.57
		Employees' compensation claims	170,000.00
		Outstanding tokens	6,270.33
		DEFERRED CREDITS	
		SURPLUS (Exhibit C):	
		Contributed surplus	\$8,340,917.62
		Less deficit from operations	6,500,065.74
			2,040,851.88
		TOTAL	\$22,229,888.70

NOTES: 1. See notes on Schedule A-3 regarding carrying value of road and equipment and regarding Railway's depreciation policy.
 2. Under the annual appropriation ordinance, as amended, for the fiscal year 1954-1955, \$225,000.00 of surplus has been appropriated for operations.

SCHEDULE A-1

MUNICIPAL RAILWAY OF SAN FRANCISCO

SUMMARY OF ROAD AND EQUIPMENT

FOR THE YEAR ENDED JUNE 30, 1954

	Balance			Appraisal Adjustments	After Adjustments			Additions	Retirements	Balance June 30, 1954
	Book Balance June 30, 1953		June 30, 1953		June 30, 1953		June 30, 1953			
WAY AND STRUCTURES:										
Right of way	\$ 206,342.33		\$ 206,342.33							\$ 158,942.33
Other land	1,162,169.70		1,162,169.70							1,162,169.70
Grading	992,554.45		992,554.45							797,635.53
Ballast	526,982.78		526,982.78							397,202.18
Ties	324,666.52		324,666.52							265,079.39
Rails, rail fastenings, and joints	1,526,556.37		1,526,556.37							1,405,826.26
Special track work	2,637,377.38		2,637,377.38							2,220,788.82
Underground construction	2,071,451.19		2,071,451.19							1,874,869.02
Tunnels and roadway labor	1,942,876.19		1,942,876.19							1,536,725.47
Paving and roadway machinery and tools	83,580.87		83,580.87							82,186.21
Tunnels and subways	14,987.49		14,987.49							14,987.49
Bridges, trestles, and culverts	79,717.85		79,717.85							79,717.85
Crossings, fences, and signs	49,276.29		49,276.29							49,276.29
Signals and interlocking apparatus	53,082.92		53,082.92							53,082.92
Rolling stock and fixtures	1,637,045.62		1,637,045.62							1,559,101.30
Underground conduits	420,118.63		420,118.63							477,626.56
Distribution system	3,781,202.33		3,781,202.33							3,766,783.30
General office buildings, cable cars	21,080.00		21,080.00							21,080.00
Shops, carhouses, and garages	5,144,389.15		5,144,389.15							5,448,167.17
Stations, miscellaneous buildings, and structures	185,439.27		185,439.27							182,533.52
TOTAL WAY AND STRUCTURES	\$22,941,297.13		\$22,941,297.13							\$21,751,373.42
EQUIPMENT:										
Electric street cars	\$ 2,139,421.96		\$ 2,139,421.96							\$ 2,139,421.96
Cable cars	651,960.33		651,960.33							615,544.48
Motor coaches	6,847,055.52		6,847,055.52							6,856,055.25
Trolley coaches	7,561,695.92		7,561,695.92							7,561,695.92
Fare boxes	156,295.03		156,295.03							155,984.00
Service equipment, electric	119,940.04		119,940.04							119,940.04
Electric equipment of street cars and trolley coaches	1,102,194.51		1,102,194.51							1,102,194.51
Street cars and trolley coaches	905,300.33		905,300.33							1,856,132.80
Furniture and office equipment	255,377.43		255,377.43							254,862.24
Automotive and miscellaneous service equipment	235,120.64		235,120.64							244,878.61
TOTAL EQUIPMENT	\$20,002,361.77		\$20,002,361.77							\$19,001,120.14
POWER:										
Substation buildings	\$ 367,222.17		\$ 367,222.17							\$ 367,222.17
Power plant equipment, cable cars	361,962.70		361,962.70							361,962.70
Substation equipment	720,901.36		720,901.36							720,901.36
Transmission system	10,276.76		10,276.76							10,276.76
TOTAL POWER	\$ 1,459,362.99		\$ 1,459,362.99							\$ 1,459,362.99
FRANCHISE										
TOTAL	\$44,404,206.13		\$44,404,206.13							\$42,152,864.55

(See notes of Schedule A-1)

MUNICIPAL RAILWAY OF SAN FRANCISCO

SUMMARY OF ROAD AND EQUIPMENT DEPRECIATION
FOR THE YEAR ENDED JUNE 30, 1954

	Book Balance June 30, 1953	Appraisal After Adjustments	Balance June 30, 1953	Provision for Depreciation	Retirements	Balance June 30, 1954
WAY AND STRUCTURES:						
Grading	\$ 511,830.87	\$ 53,275.25	\$ 458,555.62	\$ 30,620.06	\$ 14,210.11	\$ 347,165.57
Traffics	21,919.71	25,062.01	316,861.70	6,043.33	18,826.39	287,184.04
Rails, rail fastenings, and joints	245,919.71	25,062.01	316,861.70	21,731.51	217,627.92	94,159.54
Special track work	1,056,296.80	(81,199.19)	1,177,495.99	21,731.51	217,627.92	94,159.54
Underground construction	1,056,296.80	(81,199.19)	1,177,495.99	21,731.51	217,627.92	94,159.54
Track and roadway labor	2,137,484.14	(52,903.54)	2,190,387.68	1,057.25	78,355.83	364,719.80
Paving	1,209,498.78	103,804.40	1,107,694.38	52,222.98	186,687.39	973,229.97
Roadway machinery and tools	1,522,640.68	86,471.21	1,434,169.47	26,099.05	357,071.70	1,103,196.82
Trucks	39,687.80	59,585.80	59,585.80	1,069.31	1,061.72	69,266.39
Bridges, trestles, and culverts	17,732.06	(20,685.30)	38,417.36	108.37	48,551.73	48,551.73
Crossings, fences, and signs	25,545.39	(20,818.23)	46,363.62	1,166.23	47,559.65	47,559.65
Signals and interlocking apparatus	10,531.53	10,531.53	10,531.53	3,487.31	11,568.31	11,568.31
Communication systems	23,269.71	37,618.82	23,269.71	4,377.19	64,708.49	27,616.90
Poles and fixtures	906,118.54	(57,734.00)	868,384.54	23,360.71	202.58	827,181.94
Underground conduit	213,056.51	(57,734.00)	368,790.51	7,444.84	39,358.47	336,082.77
Distribution systems	1,868,710.70	19,063.70	1,887,774.40	87,108.40	1,535,650.26	1,535,650.26
Shops, carhouses, and garages	19,063.70	60.00	2,009,256.94	110,082.55	2,119,399.49	2,119,399.49
Buildings, and structures	77,752.00	1,083.40	76,668.60	5,944.57	963.14	81,650.03
TOTAL WAY AND STRUCTURES	\$12,275,040.49	\$105,382.61	\$12,169,657.88	\$ 393,801.61	\$1,217,523.57	\$11,345,935.92
EQUIPMENT:						
Electric street cars	\$ 1,213,783.64	\$ 1,213,783.64	\$ 1,213,783.64	\$ 56,996.97	\$ 66,115.50	\$ 1,270,780.61
Cable cars	674,324.33	5,011,945.90	5,011,945.90	747,652.82	48.05	607,908.63
Motor coaches	1,792,936.22	42,754.12	1,792,936.22	500,245.40	97.31	5,759,550.67
Trolley coaches	42,754.12	113,753.36	113,753.36	9,666.71	115,291.60	2,293,074.31
Pare boxes	113,753.36	732,195.15	732,195.15	22,868.79	46,300.73	52,420.83
Service equipment, electric	732,195.15	566,289.05	566,289.05	32,929.55	1,771.92	755,063.94
Electric equipment on	168,174.39	168,174.39	168,174.39	10,813.93	177,216.40	552,917.87
Shop equipment and trolley coaches	168,174.39	168,174.39	168,174.39	10,813.93	177,216.40	177,216.40
Furniture and office equipment	118,243.04	118,243.04	118,243.04	21,564.81	139,807.85	139,807.85
Automotive and	\$10,134,399.20	\$10,134,399.20	\$10,134,399.20	\$14,042,267.22	\$ 114,633.51	\$11,724,032.91
Miscellaneous service equipment						
TOTAL EQUIPMENT	\$10,134,399.20	\$10,134,399.20	\$10,134,399.20	\$14,042,267.22	\$ 114,633.51	\$11,724,032.91
POWER:						
Substation buildings	\$ 250,935.50	\$ 250,935.50	\$ 250,935.50	\$ 6,284.24	\$ 257,219.74	\$ 257,219.74
Power plant equipment, cable cars	347,946.90	434,720.13	347,946.90	618.60	348,565.50	348,565.50
Substation equipment	434,720.13	9,762.02	434,720.13	9,762.02	444,482.40	444,482.40
Transmission system	9,762.02	1,043,365.55	1,043,365.55	16,195.14	3,029.00	1,056,521.69
TOTAL POWER	\$ 1,043,365.55	\$ 1,043,365.55	\$ 1,043,365.55	\$ 16,195.14	\$ 3,029.00	\$ 1,056,521.69
FRANCHISE	\$ 428.00	\$ 428.00	\$ 428.00			
TOTALS	\$23,753,233.24	\$105,810.61	\$23,647,422.63	\$1,814,263.97	\$1,335,186.08	\$24,126,500.52

(See notes on Schedule A-3)

SCHEDULE A-3

MUNICIPAL RAILWAY OF SAN FRANCISCO

NOTES TO SCHEDULES A-1 AND A-2

SCHEDULE A-1:

1. See comments in accompanying report regarding the valuation at which the foregoing accounts are carried in the Railway's accounts.
2. The report prepared by the Public Utilities Commission engineers, as at June 30, 1953, indicated that the recorded cost of the nonoperated property included in Way and Structures amounted to \$2,497,988.49.

SCHEDULE A-2:

1. It is the policy of the Railway to take a full year's depreciation in the year of retirement and no depreciation in the year in which the asset is put into service.
2. The nonoperated property referred to in Note 2 to Schedule A-1 was fully depreciated as at June 30, 1953.

SCHEDULE A-4

MUNICIPAL RAILWAY OF SAN FRANCISCO

UNMATURED BONDED DEBT, JUNE 30, 1954

REHABILITATION ISSUE OF 1947:

	Interest Rate	Principal Amount Per Annum	Dates	Principal Amount Outstanding June 30, 1954
Series A (dated February 1, 1948)	2% 2-1/2%	\$433,000 433,000	February 1, 1955-58 February 1, 1959-63	\$1,732,000 <u>2,165,000</u> \$ 3,897,000
Series B (dated August 1, 1948)	1-1/4% 1-3/4% 1-3/4% 2% 2%	123,000 123,000 559,000 559,000 560,000	August 1, 1954-55 August 1, 1956 August 1, 1957-58 August 1, 1959-60 August 1, 1961-63	\$ 246,000 123,000 1,118,000 1,118,000 <u>1,680,000</u> 4,285,000
Series C (dated March 1, 1949)	1-1/2% 1-1/2% 1-1/2%	90,000 380,000 400,000	March 1, 1955-57 March 1, 1958 March 1, 1959-64	\$ 270,000 380,000 <u>2,400,000</u> 3,050,000
Series D (dated August 1, 1949)	1% 1-1/4% 1-1/4% 1-1/2%	105,000 105,000 104,000 104,000	August 1, 1954-55 August 1, 1956 August 1, 1957-60 August 1, 1961-64	\$ 210,000 105,000 416,000 <u>416,000</u> 1,147,000
Series E (dated November 1, 1949)	1% 1% 1-1/4% 1-1/2%	39,000 38,000 38,000 38,000	November 1, 1954 November 1, 1955-56 November 1, 1957-61 November 1, 1962-64	\$ 39,000 76,000 190,000 <u>114,000</u> 419,000
Series F (dated September 1, 1950)	1-1/4% 1%	690,000 690,000	September 1, 1954 September 1, 1955-56	\$ 690,000 <u>1,380,000</u> 2,070,000
Series G (dated March 1, 1952)	1-1/4%	120,000	March 1, 1955-59	\$ 600,000 <u>600,000</u>

TOTAL UNMATURED BONDED DEBT

\$15,468,000

EXHIBIT B

MUNICIPAL RAILWAY OF SAN FRANCISCO

STATEMENT OF INCOME FOR THE YEARS ENDED
JUNE 30, 1954 and 1953, and COMPARISON

	Year Ended June 30,		Increase (Decrease)
	<u>1954</u>	<u>1953</u>	
OPERATING INCOME:			
Passenger revenue	\$21,976,747.72	\$23,328,178.63	(\$1,351,430.91)
Advertising revenue	118,325.04	121,381.86	(3,056.82)
Rents	16,207.54	16,710.17	(502.63)
Other	<u>26,344.87</u>	<u>25,710.32</u>	<u>634.55</u>
TOTAL OPERATING INCOME	<u>\$22,137,625.17</u>	<u>\$23,491,980.98</u>	<u>(\$1,354,355.81)</u>
OPERATING EXPENSES:			
Maintenance and repairs -			
Ways and structures	\$ 753,475.61	\$ 677,349.81	\$ 76,125.80
Equipment	<u>2,240,383.65</u>	<u>2,194,281.73</u>	<u>46,101.92</u>
Total maintenance and repairs	\$ 2,993,859.26	\$ 2,871,631.54	\$ 122,227.72
Power	2,308,247.11	2,226,602.26	81,644.85
Conducting transportation	11,375,878.55	11,293,582.10	82,296.45
General and miscellaneous	2,340,048.27	2,658,078.92	(318,030.65)
Taxes	<u>201,619.28</u>	<u>172,865.32</u>	<u>28,753.96</u>
Total operating expense before provision for accidents and depreciation	\$19,219,652.47	\$19,222,760.14	(\$ 3,107.67)
Provision for accident claims	1,648,262.71	1,749,613.40	(101,350.69)
Provision for depreciation (Schedule A-2)	<u>1,814,263.97</u>	<u>1,878,593.34</u>	<u>(64,329.37)</u>
TOTAL OPERATING EXPENSES	<u>\$22,682,179.15</u>	<u>\$22,850,966.88</u>	<u>(\$ 168,787.73)</u>
GAIN (LOSS) FROM OPERATIONS (FORWARD)	(\$ 544,553.98)	\$ 641,014.10	\$1,185,568.08

EXHIBIT B

MUNICIPAL RAILWAY OF SAN FRANCISCO

STATEMENT OF INCOME FOR THE YEARS ENDED

JUNE 30, 1954 and 1953 AND COMPARISON

(Concluded)

	Year Ended June 30, <u>1954</u>	1953	Increase (Decrease)
GAIN (LOSS) FROM OPERATIONS (Brought Forward)	(\$544,553.98)	\$641,014.10	\$1,185,568.08
<u>OTHER EXPENSES:</u>			
Interest on bonded debt	\$271,215.08	\$295,796.52	(\$ 24,581.44)
Adjustment of valuation of materials and supplies to estimated salvage or useful value	5,957.00	1,320.47	4,636.53
Loss on net book value of fixed assets retired	<u>85,245.15</u>	<u> </u>	<u>85,245.15</u>
TOTAL OTHER EXPENSES	<u>\$362,417.23</u>	<u>\$297,116.99</u>	<u>\$ 65,300.24</u>
GROSS GAIN (LOSS)	(\$906,971.21)	\$343,897.11	\$1,250,868.32
<u>OTHER INCOME:</u>			
Interest on bank balances	\$ 20,977.25	\$ 20,090.61	\$ 886.64
Insurance recovery on coaches damaged by Twenty-Fourth and Utah Division fire		83,607.25	(83,607.25)
Realized from sales of other fixed capital and salvage less net book value of assets retired, and miscellaneous income	<u>3,521.06</u>	<u>50,373.96</u>	<u>(46,852.90)</u>
TOTAL OTHER INCOME	<u>\$ 24,498.31</u>	<u>\$154,071.82</u>	<u>(\$ 129,573.51)</u>
NET GAIN (LOSS)	(\$882,472.90)	\$497,968.93	\$1,380,441.83

EXHIBIT C

MUNICIPAL RAILWAY OF SAN FRANCISCO

STATEMENT OF SURPLUS FOR THE YEAR

ENDED JUNE 30, 1954

CONTRIBUTED SURPLUS, BALANCE, JUNE 30, 1954

\$8,340,917.62

DEFICIT FROM OPERATIONS:

Deficit, July 1, 1953

\$5,347,549.29

Add -

Loss from operations

for the year ended

June 30, 1954 (Exhibit B) \$882,472.90

Miscellaneous

retroactive pay rolls 14,209.78

Engineering costs

incurred on abandoned
rehabilitation projects 6,278.69

Reimbursement to airport

for services rendered

by F410A engineer on

airport pay roll for the

period December 16, 1947

to April 6, 1949

9,146.08

Adjustments resulting from

Property Appraisal as

at June 30, 1953

43,544.07

955,651.52

\$6,303,200.81

Deduct -

Controller's adjustment

for audit and miscellaneous

services rendered for

fiscal year 1952-1953

3,135.07

Deficit, June 30, 1954

\$6,300,065.74

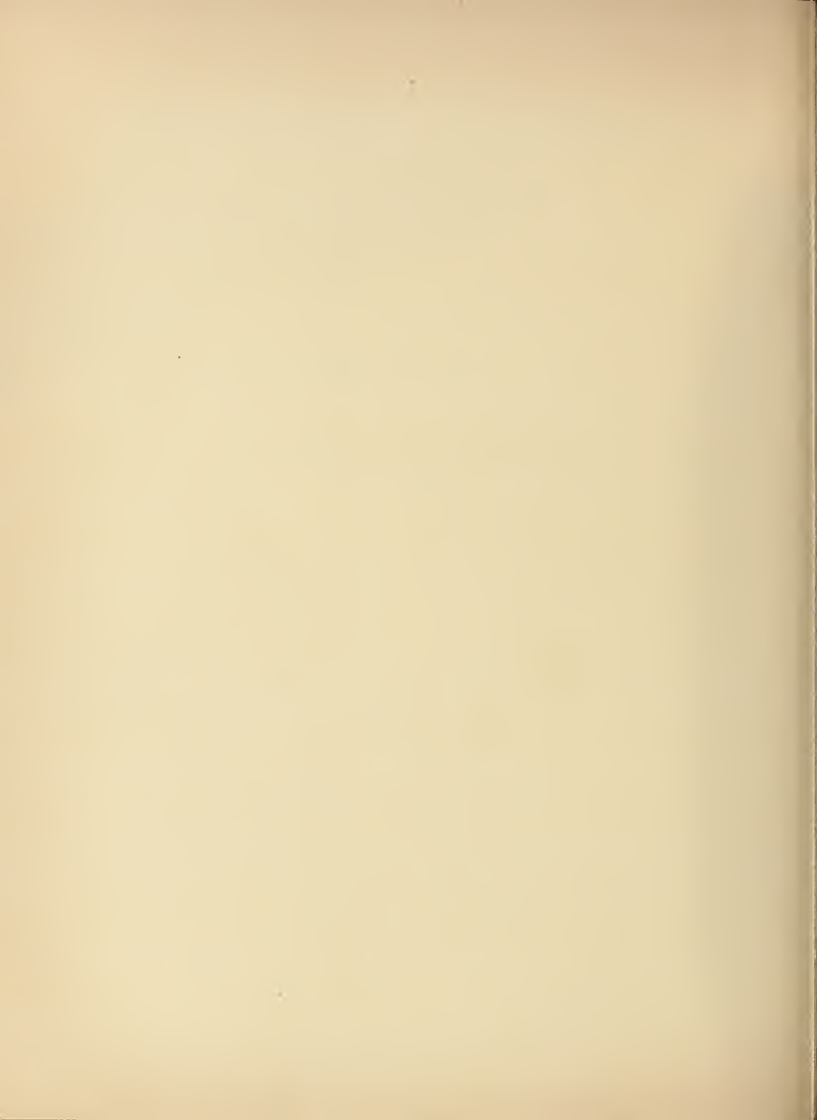


San Francisco School Department
(A Unified School District)



REPORT OF EXAMINATION

JUNE 30, 1954



LINDQUIST, VON HUSEN AND JOYCE

CERTIFIED PUBLIC ACCOUNTANTS

660 MARKET STREET

SAN FRANCISCO 4

YUKON 6-6431

RUDOLPH E. LINDQUIST
FRED J. VON HUSEN
JOHN F. JOYCE
NORMAN THOMAS

SAN FRANCISCO
LOS ANGELES
CONCORD

October 29, 1954

Honorable Harry D. Ross, Controller
City and County of San Francisco
San Francisco, California

Dear Sir:

In accordance with your authorization we have examined the books of account, records and transactions of the San Francisco Unified School District for the fiscal year ended June 30, 1954, and submit herewith the following statements:

EXHIBIT

- A - Proprietary Balance Sheet - June 30, 1954
- B - Statement of Current Surplus for the Fiscal Year Ended June 30, 1954
- C - Statement of Capital Surplus for the Fiscal Year Ended June 30, 1954
- D - Statement of Revenues and Expenditures for the Fiscal Years Ended June 30, 1954 and 1953
- E - Details of Revenue for the Fiscal Years Ended June 30, 1954 and 1953
- F - Details of Expenditures for the Fiscal Years Ended June 30, 1954 and 1953
- G - Funds Balance Sheet - June 30, 1954
- H - Reconciliation of Proprietary Balance Sheet with Funds Balance Sheet - June 30, 1954

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying balance sheets and related statements of surplus, revenues and expenditures present fairly the financial position of the San Francisco Unified School District as at June 30, 1954, and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our report, program and working papers in connection with this examination have been made available to Mr. David Supple, consultant and statistician for the Grand Jury.

Yours very truly,

Sindquist, Von Husen and Joyce

Certified Public Accountants

REVENUES AND EXPENDITURES

The following comparative summary shows revenues and expenditures for the fiscal years ended June 30, 1954 and 1953 (cents omitted):

	<u>Year Ended June 30,</u>		<u>Increase</u>
	<u>1954</u>	<u>1953</u>	<u>(Decrease)</u>
Revenues:			
Property taxes and penalties	\$20,595,789	\$19,697,127	\$ 898,662
State of California -			
School funds apportionment	10,770,345	8,427,501	2,342,844
Retirement subventions	803,158	737,547	65,611
Other revenues	2,067,213	1,907,773	159,440
Auxiliary (indirect) revenues	<u>455,762</u>	<u>424,754</u>	<u>31,008</u>
Total revenues	34,692,267	31,194,702	3,497,565
Operating expenses	<u>33,076,255</u>	<u>30,618,619</u>	<u>2,457,636</u>
	1,616,012	576,083	1,039,929
Net capital outlay from current funds	<u>294,391</u>	<u>66,400</u>	<u>227,991</u>
Excess of revenues over expenditures	<u>\$ 1,321,621</u>	<u>\$ 509,683</u>	<u>\$ 811,938</u>

Property taxes were verified by reference to the tax rates, the records of the controller and examination of the cash transfer vouchers from the controller's office.

Revenues from the State School Fund consist of the share of state funds apportioned to San Francisco on the basis of average daily attendance and other factors for the preceding year, as follows (cents omitted):

	<u>Total</u>	<u>Elementary Schools</u>	<u>High Schools</u>	<u>City College</u>
Average daily attendance	(80,882)	(53,111)	(23,310)	(4,461)
\$120 per pupil	<u>\$9,705,840</u>	<u>\$6,373,320</u>	<u>\$2,797,200</u>	<u>\$535,320</u>
Exceptional children:				
Physically handicapped	(980)	(827)	(153)	
Extra cost to school department (not over \$400 per pupil)	\$ 392,000	\$ 330,948	\$ 61,052	
Mentally retarded	(1,294)	(509)	(785)	
Not over \$150 per pupil	\$ 141,712	\$ 55,743	\$ 85,969	
Severely mentally re- tarded	(111)	(111)		
Not over \$300 per pupil	\$ 33,300	\$ 33,300		
Transportation expense for exceptional children (total average daily attendance (317) times \$350 - or actual, whichever is lower)	\$ 90,101	\$ 90,101	\$	
Total exceptional children	<u>\$ 657,113</u>	<u>\$ 510,092</u>	<u>\$ 147,021</u>	
Automobile driver training				
Lower of 75% of actual cost - \$30 times largest enrollment - or \$30 times number of pupils trained	\$ 15,728		\$ 15,728	
Growth in attendance				
Increased attendance over previous year	<u>\$ 391,664</u>	<u>\$ 236,405</u>	<u>\$ 104,438</u>	<u>\$ 50,821</u>
	<u>\$10,770,345</u>	<u>\$7,119,817</u>	<u>\$3,064,387</u>	<u>\$586,141</u>

These revenues were verified by reference to supporting data and were traced where appropriate to the Principal Apportionment of the California State School Fund published by the State Superintendent of Public Instruction.

Following is a comparison of the average daily attendance:

	<u>1953-54</u>	<u>1952-53</u>
Elementary schools	55,379	53,111
High schools	24,700	23,310
Junior college	<u>4,637</u>	<u>4,461</u>
Total	<u>84,716</u>	<u>80,882</u>

BASIC DATA FOR STATE
APPORTIONMENT FOR FISCAL
YEAR 1954-55

The following is a summary of the basic data underlying the State apportionment for the fiscal year 1954-55. This summary is provided in order to place the audit of average daily attendance figures on a prospective rather than a retroactive basis.

	<u>Total</u>	<u>Elementary Schools</u>	<u>High Schools</u>	<u>Junior College</u>
Average daily attendance	84,716	55,379	24,700	4,637
Physically handicapped	937	818	119	
Mentally retarded	1,429	911	518	
Evening schools	5		5	
Continuation school	1		1	
Transportation expense for exceptional children	351	351		
Growth in average daily attendance	Note (1)			

Note (1): The growth in average daily attendance is divided into two periods, the first of which ends approximately at December 3, 1954 and the second at April 22, 1955 and, of course, cannot be computed until after such dates.

We reviewed the procedures for compiling the average daily attendance and tested the records of the Bureau of Research and of certain schools and satisfied ourselves that the average daily attendance figures are substantially correct.

Other revenues (\$2,067,213) were tested against various supporting data and in our opinion are substantially correct. Details are shown in Exhibit E.

CHILD CARE CENTERS:

As at June 30, 1954 there were 25 Child Care Centers in operation, serving approximately 1,145 children. The combined centers had comparative totals of child attendance hours as follows:

	<u>Year Ended June 30,</u>	
	<u>1954</u>	<u>1953</u>
Nursery (under 5 years 9 months of age)	1,377,748	1,605,034
School age (5 years 9 months and over)	<u>455,478</u>	<u>487,137</u>
Total hours	<u>1,833,226</u>	<u>2,092,171</u>

We reviewed the accounting records and procedure, and tested the income and expenditures to the extent we deemed appropriate.

Following is a comparative statement of income and expenditures for the fiscal years ended June 30, 1954 and 1953:

	<u>Year Ended June 30,</u>	
	<u>1954</u>	<u>1953</u>
<u>Income:</u>		
State apportionment	\$417,449	\$459,100
Fees from parents	289,444	293,787
Current district taxes	192,623	162,684
Miscellaneous income	<u>1,184</u>	<u>96</u>
Total income	<u>\$900,700</u>	<u>\$915,667</u>
<u>Expenditures:</u>		
Administration	\$ 60,018	\$ 54,173
Instruction	526,936	493,695
Auxiliary services	13,555	12,631
Operation	122,537	120,308
Maintenance	24,115	30,155
Fixed charges	5,199	4,555
Food	154,129	170,988
Capital outlay	<u>6,102</u>	<u>5,752</u>
Total expenditures	<u>\$912,591</u>	<u>\$892,257</u>
Net income or (loss)	<u>\$ (11,891)</u>	<u>\$ 23,410</u>

COUNTY SCHOOL SERVICE FUND:

The income and expenditures of the County School Service Fund, which we test checked, were as follows:

Income:

Balance of funds from prior year	None
State apportionment	<u>\$36,587</u>
Total income	<u>\$36,587</u>

Expenditures:

County superintendent of schools	\$ 2,400
Bureau of research	<u>7,500</u>
Total administrative	<u>9,900</u>
Curriculum services	14,187
Visual education	<u>12,500</u>
Total instructional	<u>26,687</u>
Total expenditures	<u>\$36,587</u>

Balance of fund	<u>None</u>
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CAFETERIAS:

During the year the School District operated fifty-five cafeterias. We tested the income, expenses and balance sheet accounts to the extent we deemed appropriate. We also reviewed the internal audit procedures and audits performed by the administrative office of the School District during the current year and believe that their audit procedures are adequate.

A comparative statement of income and expenses for the fiscal years ending June 30, 1954 and 1953 is as follows:

	<u>Fiscal Year</u> <u>Ended June 30,</u>	
	<u>1954</u>	<u>1953</u>
Income:		
Sales - cafeteria	\$ 981,408	\$ 925,465
Sales - mid-morning lunches	187,097	171,337
Federal grants	<u>84,128</u>	<u>74,226</u>
Total income	<u>1,252,633</u>	<u>1,171,028</u>
Expenses:		
Cost of food	770,333	740,234
Salaries	397,704	318,562
Student help meals	31,170	32,924
Supplies and expense	46,166	42,575
Central office expense	726	750
Repairs and replacements	88	144
Provision for sick leave and vacations	<u>32,119</u>	<u>25,797</u>
Total expenses	<u>1,278,306</u>	<u>1,160,986</u>
Net income or (loss)	<u>\$ (25,673)</u>	<u>\$ 10,042</u>

Net income of the cafeterias is held in trust for cafeteria operations only and is not available for other activities.

STUDENT BODY FUNDS:

The student body funds and all accounting records in support thereof are maintained at the schools and are subject to internal audit at regular intervals. We reviewed the audit procedures and audits made by the administrative office during the current year and believe them to be adequate.

PROPRIETARY BALANCE SHEET

FIXED CAPITAL PROPERTIES:

Fixed capital properties are stated in the proprietary balance sheet at the amounts shown on the records of the Controller. We understand that these represent appraised values of 1920 plus subsequent additions at cost, except that property received at no cost is stated at appraised value.

Following is a summary of the net additions to fixed capital properties during the fiscal year ended June 30, 1954: (cents omitted).

	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>
Additions per school district records:				
1948 bond fund	\$ 9,265,110	\$ 10,036	\$9,066,734	\$188,340
School current fund	787,816	172,344	170,306	445,166
Child Care Centers	6,102			6,102
Real property fund	<u>29,952</u>	<u>29,952</u>		
	<u>10,088,980</u>	<u>212,332</u>	<u>9,237,040</u>	<u>639,608</u>
Less:				
Net reduction due to properties sold, exchanged or otherwise disposed of	226,519	93,140	110,372	23,007
Prior years capital outlays recorded in 1953-1954	9,338	2,935	3,644	2,759
Adjustment of prior year's sale	(13,497)	(13,497)		
Adjustments between classifications			2,962	(2,962)
Adjustments not taken up by Controller	1,170			1,170
Adjustments not taken up by School District	1,010			1,010
Work in progress reclassified as deferred charge	<u>368</u>		<u>368</u>	
	<u>224,908</u>	<u>82,578</u>	<u>117,346</u>	<u>24,884</u>
Net additions per Controller's records 1953-1954	<u>\$ 9,864,072</u>	<u>\$129,754</u>	<u>\$9,119,694</u>	<u>\$614,624</u>

We tested the additions from the School Current Fund, but we did not test the additions from the 1948 School Bond Fund. This latter fund represents general obligation bonds of the City and County, and is subject to examination by auditors engaged by the Board of Supervisors, pursuant to Charter Section 68, to complete the annual audit of the Controller's books.

CASH:

Cash in the various funds of the School District at June 30, 1954 as shown by the books of the Treasurer, was as follows:

Current funds:		
School District	\$ 6,718,729	
Bonds matured - unredeemed	10,000	
Bond interest matured - unpaid	<u>20,410</u>	\$ 6,749,139
Capital funds:		
1948 school bonds	11,445,465	
Real property	<u>134,896</u>	11,580,361
Trust funds:		
Accumulative building fund	5,897	
Child Care Centers	174,750	
Sabbatical leave (teachers)	7,291	
Retirement (teachers)	19,477	
Annuity deposits (teachers)	13,080	
Federal withholding tax	268,744	
Ford Foundation	350,000	
Veterans' education	115	
Cafeteria	217,417	
Will C. Steinbrunn bequest	<u>10,176</u>	<u>1,066,947</u>
Total cash deposited with the Treasurer		19,396,447
Cash transfers outstanding	343,350	
Revolving funds:		
School District	3,000	
Cafeteria	<u>1,550</u>	
	347,900	
Advances to purchasing department	192	
Hume Foundation Trust Fund (deposited with American Trust Co.)	<u>237</u>	<u>348,329</u>
Total cash		<u>\$19,744,776</u>

The cash on deposit with the Treasurer was reconciled to the Treasurer's cash balances as shown in the Report of Examination of the office of the Treasurer, prepared by the General Audit Division, office of the Controller, as at June 30, 1954.

ACCOUNTS RECEIVABLE:

A summary of the accounts receivable is set forth as follows:

Taxes and penalties:

Taxes - secured	\$204,719	
Taxes - unsecured	<u>391,701</u>	
	596,420	
Reserve for unsecured taxes	<u>391,701</u>	\$204,719

Other accounts receivable:

Tuition due from other counties	321,350	
Subventions for vocational training of veterans	27,767	
Federal subvention for aid to local education (Public Law 874)	98,964	

Cafeterias:

Federal grants	14,988	
Other	23,115	

Child Care Centers:

Fees from parents	26,660	
Salary overpayments	7,580	
Other	<u>11,219</u>	<u>531,643</u>

Total		<u>\$736,362</u>
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Taxes unreserved for in the amount of \$204,719 represent the portion of taxes secured.

Tuition due from other counties consists of \$819 billed for prior years but not collected, and \$320,531 billed for tuition for non-resident students at City College for the fiscal year 1953-1954 of which \$174,770 was not billed until July, 1954.

Subventions for vocational training of veterans consists of bills rendered (\$6,782) plus an estimate (\$20,985) for instruction, supplies and counseling given in April, May and June, 1954 and billed subsequently.

Federal subvention for aid to local education covers assistance given by the Federal government to those local agencies upon which a financial burden has been placed by reason of providing education for children whose parents are employed by Federal Government and live on Federal property, or who live in Federal projects and work elsewhere (Public Law 874)

Federal grants for cafeterias represent billings for May and June, 1954, which were collected subsequently.

Salary overpayments of \$7,580 are not considered fully collectible for various reasons, such as death, etc.

Other accounts receivable in the amount of \$11,219 represents amounts due from various sources, such as rentals, use of school buildings, Public Law 550, etc.

The amount of accounts receivable (\$531,643) exclusive of secured taxes (\$204,719) is taken into income in the year in which collected, and therefore is treated as a deferred credit in the balance sheet as at June 30, 1954.

INVENTORIES AND DEFERRED CHARGES:

Stores inventory represents the cost of supplies and some equipment on hand at June 30, 1954 as shown by the records of the School District. Physical inventories were taken, priced and extended by employees of the School District at various dates at the different storage locations. The inventory at the principal storage warehouse, 1440 Harrison Street, San Francisco, California was taken as of March 31, 1954. The general ledger balance of the inventory was increased by \$1,358.13 to bring it into agreement with the physical inventory.

We were present at the count of the inventory, observed the procedures and test counted a substantial amount thereof and satisfied ourselves that the physical count was substantially correct. We also tested the pricing, extensions and footings of the inventory to the extent we deemed appropriate, and found them to be correct. The procedures for accounting for the detailed perpetual inventory by quantities and the general ledger stores account in dollars were reviewed, and we satisfied ourselves that the inventory as shown at June 30, 1954 was correctly stated.

The following is a summary of the insurance in force at June 30, 1954:

Fire and extended coverage:

School district property including contents	\$72,500,000
Automobiles: (Includes Driver Training Program Cars)	
Bodily injury including non-ownership	\$200,000/500,000
Property damage	\$100,000
Fire and theft	Cash value
Collision (Driver Training only)	\$50 deductible

Child Care Centers:

Bodily injury	\$100,000/1,000,000
Property damage	\$1,000/10,000

Boiler:

City college	\$500,000
High schools - each	\$250,000
Other schools - each	\$100,000

Blanket fidelity bond (each loss)	\$25,000
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Rental income - Lincoln Building:

Loss due to fire and/or extended coverage	Actual rental
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Valuable records:

Other than money and securities	\$50,000
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Workmen's compensation - Child Care Centers

Additional fidelity bond coverage:

Superintendent of schools	\$25,000
Chief of the budget division	\$15,000
Chief of the division of accounts	\$5,000
Board of Education members (each)	\$2,500

General liability:

Sub-leased portion of Union Furniture Company warehouse	\$100,000/200,000
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Coverage in effect as shown above for fire and extended coverage is 90% of insurable value. An insurance survey in May, 1954 shows total value of buildings and contents to be \$80,524,024. 90% thereof is \$72,471,622.

General public liability insurance is not carried. The legal adviser of the School District advised us that the contingent liability under unsettled claims is estimated to be \$50,000. Also, workmen's compensation insurance is not carried on other than Child Care Centers.

The Retirement Board of the City and County of San Francisco advised us that the liability for unsettled workmen's compensation claims at June 30, 1954 is estimated to be approximately \$125,000.

BONDED INDEBTEDNESS AND INTEREST:

Following is a summary of the changes in the bonded indebtedness during the fiscal year ended June 30, 1954 as shown by the records of the Controller (cents omitted):

Date of Issue	Interest Rate	Balance, June 30, 1953	Transactions During Fiscal Year		Balance, June 30, 1954
			Sold	Redeemed	
March 1, 1923	5%	\$ 4,206,000		\$ 296,000	\$ 3,910,000*
March 1, 1949	1-1/4%	2,900,000		500,000	2,400,000
March 1, 1949	1-1/2%	3,000,000			3,000,000
April 1, 1951	1-1/4%	1,024,000		255,000	769,000
April 1, 1951	1-3/4%	8,466,000			8,466,000
March 1, 1952	1-1/2%	8,650,000		330,000	8,320,000
December 1, 1952	1-3/4%	10,000,000		250,000	9,750,000
August 1, 1953	4%	960,000			960,000
August 1, 1953	2-1/2%	3,840,000			3,840,000
March 1, 1954	5-3/4%		\$ 400,000		400,000
March 1, 1954	1%		400,000		400,000
March 1, 1954	1-1/4%		1,000,000		1,000,000
March 1, 1954	1-1/2%		800,000		800,000
March 1, 1954	1-3/4%		400,000		400,000
		<u>\$43,046,000</u>	<u>\$3,000,000</u>	<u>\$1,631,000</u>	<u>\$44,415,000</u>

* Includes \$10,000 matured but unpaid.

Of the \$48,900,000.00 school bond issue approved by public vote in November, 1948, \$4,990,000.00 remained unsold at June 30, 1954.

Bond interest payable or accrued as at June 30, 1954 amounted to \$281,171.00, as follows:

Coupons matured - not presented for payment	\$ 20,410
Interest accrued - not due	<u>260,761</u>
Total	<u>\$281,171</u>

The bonded debt and interest thereon are not reflected on the books of the School District as they are general obligations of the City and County of San Francisco, and are shown in the annexed balance

sheet only as a matter of record. In accordance with past practice, the interest between the last coupon dates and the end of the fiscal year (\$260,761) has been treated as a deferred charge.

ACCOUNTS PAYABLE AND COMMITMENTS:

Following is a summary of accounts payable as at June 30, 1954:

Warrants and payroll deductions outstanding	\$ 2,498,221
Accounts payable -	
Goods and services received for which warrants had not been issued	250,499
Uncompleted purchase orders and contracts	<u>10,266,287</u>
Total	<u>\$13,015,007</u>

The contractual liability of \$10,266,287 for uncompleted purchase orders and contracts represents obligations for goods and services not received nor rendered as at June 30, 1954. Since these charges apply to subsequent periods, a like amount is shown as a deferred charge in the annexed balance sheet, in accordance with past practice.

The inter-fund accounts payable were reconciled with the records of the Controller. Following is a summary of these balances:

Department of Public Works	\$210,886
Employees' Retirement System	321,202
Other funds and City departments	<u>18,548</u>
Total	<u>\$550,636</u>

The goods and services for which the above liabilities were incurred were furnished or rendered on or prior to June 30, 1954 and the corresponding charges are reflected in the accounts of the fiscal year then ended.

EXHIBIT A (CONTINUED)
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
PROPRIETARY BALANCE SHEET - JUNE 30, 1954

ASSETS

	<u>Total</u>	<u>Current Funds</u>	<u>Capital Funds</u>	<u>Special and Trust Funds</u>
<u>FIXED CAPITAL PROPERTIES (Note 1):</u>				
Land	\$ 14,213,962		\$ 14,213,962	
Building and improvements	70,864,006		70,864,006	
Equipment	<u>8,207,311</u>		<u>8,207,311</u>	
Total	<u>93,285,279</u>		<u>93,285,279</u>	
<u>CASH:</u>				
On deposit with Treasurer	19,366,037	\$ 6,718,728	11,580,361	\$1,066,948
Cash transfers outstanding	343,350	4,415		338,935
Revolving funds	4,550	3,000		1,550
Advances to Purchasing Department	192	192		
Bond interest and redemption funds	30,410	30,410		
Other - Hume Foundation	<u>237</u>			<u>237</u>
Total	<u>19,744,776</u>	<u>6,756,745</u>	<u>11,580,361</u>	<u>1,407,670</u>
<u>ACCOUNTS RECEIVABLE:</u>				
Delinquent taxes and penalties	596,420	594,149		2,271
Less: Reserve for unsecured property taxes	<u>391,701</u>	<u>390,952</u>		<u>749</u>
Secured taxes and penalties	204,719	203,197		1,522
Other accounts, subventions, etc. (contra)	<u>531,643</u>	<u>466,880</u>		<u>64,763</u>
Total	<u>736,362</u>	<u>670,077</u>		<u>66,285</u>
<u>INTER-FUND ACCOUNTS</u>				
	<u>29,208</u>	<u>28,755</u>	<u>453</u>	
<u>INVENTORIES AND DEFERRED CHARGES:</u>				
Stores - at cost	812,066	811,530		536
Shop inventory - at cost	35,957	35,957		
Other supplies and expense	14,159	14,159		
Unexpired insurance	398	398		
Bond interest accrued (contra)	260,761	260,761		
Uncompleted contracts and purchase orders (contra)	<u>10,266,287</u>	<u>1,427,250</u>	<u>8,834,067</u>	<u>4,970</u>
Work in progress	<u>145,849</u>		<u>145,849</u>	
Total	<u>11,535,477</u>	<u>2,550,055</u>	<u>8,979,916</u>	<u>5,506</u>
<u>TOTAL</u>	<u>\$125,331,102</u>	<u>\$10,005,632</u>	<u>\$113,846,009</u>	<u>\$1,479,461</u>

See notes appended to this exhibit which are made an integral part hereof.

EXHIBIT A (CONCLUDED)
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
PROPRIETARY BALANCE SHEET - JUNE 30, 1954

	<u>LIABILITIES AND SURPLUS</u>			
	<u>Total</u>	<u>Current Funds</u>	<u>Capital Funds</u>	<u>Special and Trust Funds</u>
<u>BONDED DEBT (Note 3)</u>	<u>\$ 44,415,000</u>	<u>\$ 10,000</u>	<u>\$ 44,405,000</u>	
<u>BOND INTEREST:</u>				
Coupons matured - unpaid	20,410	20,410		
Accrued interest not due (contra)	<u>260,761</u>	<u>260,761</u>		
Total	<u>281,171</u>	<u>281,171</u>		
<u>ACCOUNTS PAYABLE AND COMMITMENTS:</u>				
Warrants and payroll deductions outstanding	2,498,221	2,253,177	57,210	\$ 187,834
Accounts payable - materials and service	250,499	233,513		16,986
Uncompleted purchase orders and contracts (contra)	<u>10,266,287</u>	<u>1,427,250</u>	<u>8,834,967</u>	<u>4,970</u>
Total	<u>13,015,007</u>	<u>3,913,940</u>	<u>8,891,277</u>	<u>209,790</u>
<u>INTER-FUND ACCOUNTS:</u>				
Department of Public Works	210,886	202,153		8,732
Employees' Retirement System	321,202	321,202		
Other funds and City departments	<u>18,548</u>	<u>14,693</u>		<u>3,855</u>
Total	<u>550,636</u>	<u>538,048</u>		<u>12,587</u>
<u>DEFERRED CREDITS:</u>				
Accounts receivable (contra)	531,643	466,880		64,763
Other	<u>25,118</u>	<u>25,085</u>		<u>33</u>
Total	<u>556,761</u>	<u>491,965</u>		<u>64,796</u>
<u>SURPLUS (EXHIBITS B AND C)</u>	<u>66,512,527</u>	<u>4,770,508</u>	<u>60,549,732</u>	<u>1,192,281</u>
<u>TOTAL</u>	<u>\$125,331,102</u>	<u>\$10,005,632</u>	<u>\$113,846,239</u>	<u>\$1,257,464</u>

See notes appended to this exhibit which are made an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
NOTES FORMING AN INTEGRAL PART OF EXHIBIT A

- Note 1: Fixed capital properties are not recorded on the general accounts of the School District. The amounts shown in the foregoing balance sheet are those shown by the records of the Controller.
- Note 2: Proceeds from the sale of certain land and buildings during the fiscal year ended June 30, 1954, aggregating \$498,922, were deposited with the Treasurer to the credit of the School District general fund and accordingly are included in the "Current Funds" column of the foregoing balance sheet. Of this amount, plus the balance at the beginning of the year of \$654,091, the Board of Education appropriated \$326,686 for capital outlay and \$826,327 remains specifically reserved for the same purpose.
- Note 3: Bonded debt and bond interest are not recorded on the accounts of the School District since they are general obligation of the City and County of San Francisco and not School District liabilities. These items are shown in the foregoing balance sheet only as a matter of record.
- Note 4: Contingent liability for personal injury claims is estimated by the legal advisor to the Board of Education to be \$50,000.
- Contingent liability for compensation insurance claims pending June 30, 1954 is estimated by the San Francisco City and County Employees' Retirement System to be approximately \$125,000.

EXHIBIT B
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF CURRENT SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 1954

<u>BALANCE - JUNE 30, 1953</u>	\$3,407,294
Add:	
Net revenues for fiscal year ended June 30, 1954 (Exhibit D)	1,321,621
Net adjustment for delinquent taxes and penalties	<u>41,593</u>
<u>BALANCE - JUNE 30, 1954</u>	<u>\$4,770,508</u>

EXHIBIT C
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF CAPITAL SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 1954

<u>BALANCE, JUNE 30, 1953</u>			\$58,250,806
Add:			
Capital outlay from non-capital funds:			
Capital outlay shown by School District Records:			
From school general funds	\$787,816		
From child care centers	6,102		
		793,918	
Miscellaneous adjustments		442	794,360
Other revenue:			
Rentals		686	
Miscellaneous sales		15,050	15,736
Bonded debt matured during year			<u>1,635,000</u>
			60,695,902
Deduct:			
Cost or assigned book value of properties sold:			
Lot 30, Block 3758	\$83,208		
Block 2155	<u>39,955</u>	123,163	
Cost or assigned book value of equipment disposals during year		<u>23,007</u>	<u>146,170</u>
<u>BALANCE, JUNE 30, 1954</u>			<u>\$60,549,732</u>

Note: Gain on sale of Lot 30, Block 3758 and Block 2155 (\$370,262) was transferred to Current Surplus.

EXHIBIT D

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES

FOR THE FISCAL YEARS ENDED JUNE 30, 1954 AND 1953

	Fiscal Years Ended	
	June 30,	1953
<u>REVENUES (EXHIBIT E)</u>	<u>\$34,692,267</u>	<u>\$31,194,702</u>
<u>OPERATING EXPENSES:</u>		
Administration	851,182	791,351
Instruction	23,005,987	21,007,881
Transportation	294,972	271,235
Auxiliary services	2,539,977	2,328,896
Operations	1,406,121	1,810,644
Maintenance	3,682,225	3,342,209
Fixed charges	353,282	307,527
Transportation of pupils	122,086	120,277
Food services	267,100	212,760
Recreation	1,191	2,150
Tuition from other districts	32,620,493	30,193,865
Total direct expenses	33,076,255	30,618,619
<u>AUXILIARY (INDIRECT) SERVICES</u>		
CONTRIBUTED BY THE BOARD OF HEALTH:		
Dental inspection	85,452	84,615
Dietetic inspection	85,452	84,615
Nurse service	323,424	292,058
Total indirect expenses	455,762	424,754
Total operating expenses	33,076,255	30,618,619
(Exhibit F)		
<u>EXCESS OF REVENUES</u>	<u>1,616,012</u>	<u>576,083</u>
<u>CAPITAL OUTLAY FROM CURRENT FUNDS</u>		
Less:		
Sale of land and buildings	787,816	822,898
Net capital outlay from current funds (Exhibit F)	493,425	756,498
<u>NET REVENUES</u>	<u>\$ 1,321,621</u>	<u>\$ 509,683</u>

EXHIBIT E

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

DETAILS OF REVENUE

FOR FISCAL YEARS ENDED JUNE 30, 1954 AND 1953

	Fiscal Years Ended	
	June 30,	1953
<u>PROPERTY TAXES AND PENALTIES</u>	<u>\$20,595,789</u>	<u>\$19,697,127</u>
<u>RECEIVED FROM STATE OF CALIFORNIA:</u>		
Elementary schools	7,119,817	5,500,557
High schools and city college	3,650,528	2,926,944
Retirement subventions	803,158	737,547
Total	11,573,503	9,165,048
<u>OTHER REVENUES:</u>		
San Francisco Housing Authority	109,105	70,310
San Francisco State vocational education	57,461	57,192
Reimbursement for veterans' vocational training	238,477	192,018
Tuition from other counties	353,181	359,815
Rentals	364,083	363,736
Public Law 874 and other federal aid	470,180	723,553
Miscellaneous	476,726	141,149
Total	2,067,213	1,907,773
Total direct revenues	34,236,505	30,769,948
<u>AUXILIARY (INDIRECT) REVENUES:</u>		
Services of physicians, dentists and nurses received from Department of Health	455,762	424,754
<u>TOTAL REVENUES</u>	<u>\$34,692,267</u>	<u>\$31,194,702</u>

EXHIBIT F, PAGE 1

CITY AND COUNTY OF SAN FRANCISCO

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

DETAILS OF EXPENDITURES

FOR THE FISCAL YEARS ENDED JUNE 30, 1954 AND 1953

	<u>Fiscal Years Ended</u> <u>June 30,</u>	
	<u>1954</u>	<u>1953</u>
<u>ADMINISTRATION:</u>		
Salaries	\$ 744,342	\$ 643,528
Supplies	47,665	45,427
Travel expense	14,529	14,332
Miscellaneous	144,646	88,064
Total	951,182	791,351
<u>INSTRUCTION - SALARIES:</u>		
Supervision	408,915	371,035
Elementary schools	9,700,097	8,728,372
Special schools	552,225	505,827
Junior high schools	3,871,874	3,542,655
Senior high schools	4,225,811	3,893,283
Adult schools	859,498	781,165
Trade and industrial schools	378,686	374,746
Continuation school	175,281	165,246
City College	1,713,736	1,588,897
Total	21,886,123	19,951,226
<u>INSTRUCTION - SUPPLIES, ETC.:</u>		
Educational supplies	627,027	626,437
Books	244,735	206,964
Travel expense	19,498	17,223
Miscellaneous	228,574	198,836
Total	1,119,834	1,049,460
<u>AUXILIARY SERVICES:</u>		
Compulsory education	165,083	150,451
Guidance service centers	91,661	86,487
Student placement service	22,072	21,330
Nurse service	9,240	8,020
Miscellaneous	6,916	4,947
Total	294,972	271,235
Carried forward	\$24,252,111	\$22,063,272

EXHIBIT F, PAGE 2

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF EXPENDITURES

FOR THE FISCAL YEARS ENDED JUNE 30, 1954 AND 1953

	<u>Fiscal Years Ended</u> <u>June 30,</u>	
	<u>1954</u>	<u>1953</u>
Brought forward	<u>\$24,252,111</u>	<u>\$22,063,272</u>
<u>OPERATION:</u>		
Janitors, engineers and gardners:		
Salaries	1,801,557	1,641,975
Supplies	113,379	110,011
Gas and electricity	269,691	239,012
Fuel	65,956	78,672
Water	55,101	52,147
Miscellaneous	<u>234,293</u>	<u>206,779</u>
Total	<u>2,539,977</u>	<u>2,328,596</u>
<u>MAINTENANCE:</u>		
Repairs:		
Buildings and grounds	1,148,034	1,548,846
Janitors' equipment	8,583	8,852
Educational equipment	230,788	241,713
Fire damage		2
Miscellaneous	<u>18,716</u>	<u>11,231</u>
Total	<u>1,406,121</u>	<u>1,810,644</u>
<u>FIXED CHARGES:</u>		
Rents	9,981	7,011
Insurance	74,706	57,000
Compensation and accident claims	97,281	43,595
Contributions to retirement system:		
City	3,455,467	3,179,284
State	45,198	43,308
Miscellaneous	<u>(408)</u>	<u>12,011</u>
Total	<u>3,682,225</u>	<u>3,342,209</u>
<u>TRANSPORTATION OF PUPILS</u>	<u>353,292</u>	<u>307,527</u>
<u>FOOD SERVICE:</u>		
Cafeteria supervision	47,007	48,393
Cafeteria maintenance	25,661	23,334
Free meals	20,813	18,295
Health classes and other expenses	<u>28,605</u>	<u>30,255</u>
Total	<u>122,086</u>	<u>120,277</u>
Carried forward	<u>\$32,355,812</u>	<u>\$29,972,525</u>

EXHIBIT F, PAGE 3
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1954 AND 1953

	Fiscal Years Ended June 30,	
	<u>1954</u>	<u>1953</u>
Brought forward	<u>\$32,355,812</u>	<u>\$29,972,525</u>
<u>COMMUNITY SERVICES:</u>		
Recreation program	160,124	140,783
Veterans' counseling	54,952	34,218
Civic Center activities	<u>47,624</u>	<u>43,779</u>
Total	<u>262,700</u>	<u>218,780</u>
<u>TUITION PAID TO OTHER DISTRICTS</u>	<u>1,981</u>	<u>2,560</u>
<u>TOTAL DIRECT EXPENDITURES</u>	<u>32,620,493</u>	<u>30,193,865</u>
<u>AUXILIARY (INDIRECT) EXPENDITURES:</u>		
Contributed by Board of Health:		
Medical inspection	85,452	84,615
Dental inspection	46,886	48,081
Nurse service	<u>323,424</u>	<u>292,058</u>
Total	<u>455,762</u>	<u>424,754</u>
<u>TOTAL OPERATING EXPENDITURES</u>	<u>\$33,076,255</u>	<u>\$30,618,619</u>
<u>CAPITAL OUTLAY FROM CURRENT FUNDS:</u>		
Land	\$ 172,344	\$ 123,684
Buildings and improvements	170,306	240,484
Equipment	<u>445,166</u>	<u>458,730</u>
	787,816	822,898
Less:		
Sale of land and buildings	<u>493,425</u>	<u>756,498</u>
<u>NET CAPITAL OUTLAY FROM CURRENT FUNDS</u>	<u>\$ 294,391</u>	<u>\$ 66,400</u>

EXHIBIT G (CONTINUED)
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
FUNDS BALANCE SHEET - JUNE 30, 1954
(AS SHOWN BY ACCOUNTS OF THE CONTROLLER)

	<u>ASSETS</u>				
	<u>Total</u>	<u>Cash Available</u>	<u>Accounts Receivable</u>	<u>Other Resources</u>	<u>Unsold Bonds</u>
CURRENT FUNDS:					
School District	\$ 5,435,482	\$ 4,465,551	\$ 886,594	\$ 54,000	
CAPITAL FUNDS:					
Real Property	118,646	118,646			
1948 School Bonds	17,576,588	11,404,505			\$4,990,000
Total	17,695,234	11,523,151			4,990,000
SPECIAL AND TRUST FUNDS:					
Special Accumulative Building Fund	5,897	5,897			
Child Care Centers	144,031	115,062	28,969		
Withholding Tax	577,821	577,821			
Teachers' Sabbatical Leave	1,254	1,254			
Teachers' Permanent Fund	19,231	19,231			
Teachers' Annuity Fund	13,545	13,545			
Veterans' Education Fund	30	30			
Cafeteria	163,137	125,034	38,103		
Will C. Steinbrunn Bequest	15,176	10,176			\$ 5,000
Ford Foundation	350,000	350,000			
Total	1,290,122	1,218,050	67,072		5,000
TOTAL	\$24,420,838	\$17,206,752	\$ 953,666	\$ 54,000	\$1,211,420
					\$ 5,000

EXHIBIT G (CONCLUDED)

CITY AND COUNTY OF SAN FRANCISCO SAN FRANCISCO UNIFIED SCHOOL DISTRICT FUNDS BALANCE SHEET - JUNE 30, 1954 (AS SHOWN BY ACCOUNTS OF THE CONTROLLER)

LIABILITIES AND SURPLUS

	Total	Encumbrances	Inter-fund Accounts	Reserve for Delinquent Taxes Penalties, Etc.	Fund Balances		Retirement Trust and Agency Fund Balances
					Unencum- bered	Unappro- priated	
<u>CURRENT FUNDS:</u>							
School District	\$ 5,435,482	\$ 877,320	\$ 1,184,484	\$ 415,986	\$ 305,663	\$ 2,652,029	
<u>CAPITAL FUNDS:</u>							
Real Property	118,646	483	375		25,609	92,179	
1948 School Bonds	17,576,588	7,710,038	960,142		8,871,884	34,524	
Total	17,695,234	7,710,521	960,517		8,897,493	126,703	
<u>SPECIAL AND TRUST FUNDS:</u>							
Special Accumulative Building Fund	5,897						
Child Care Centers	144,031						
Withholding Tax	577,821	20,627	13,782	749	5,897	103,873	\$577,821
Teachers' Sabbatical Leave	1,254				5,000		1,254
Teachers' Permanent Fund	19,231						19,231
Teachers' Annuity Fund	13,545						13,545
Veterans' Education Trust Fund	30						30
Cafeteria	163,137				5,035	158,101	15,476
Will C. Steinbrunn Bequest	15,176						15,176
Ford Foundation	359,006						359,006
Total	1,293,122	20,627	13,782	749	15,931	261,974	973,051
<u>TOTAL</u>	\$24,421,858	\$ 9,679,468	\$ 2,055,036	\$ 416,735	\$ 9,219,499	\$ 3,045,105	\$577,051

EXHIBIT H (CONTINUED)

**CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT**

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET - JUNE 30, 1954

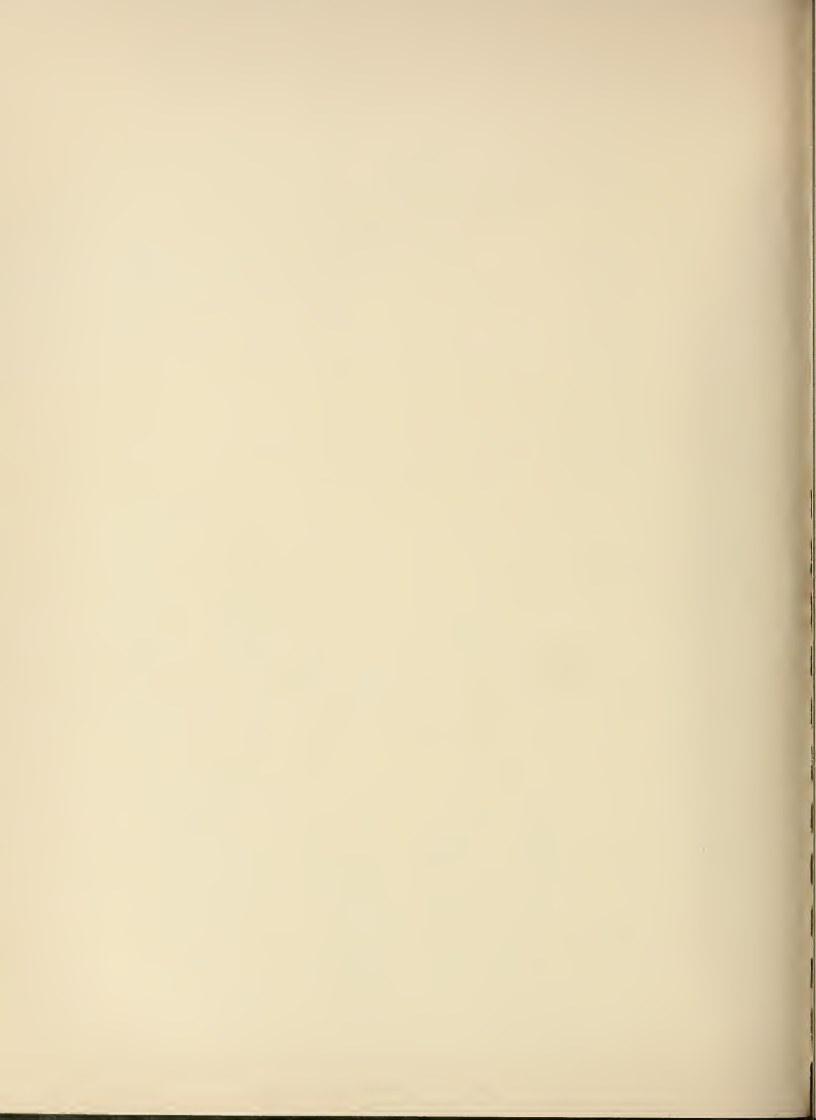
ASSETS

	Total	Fixed Assets	Cash	Accounts Receivable	Inter-fund Accounts	Unsold Bonds	Deferred Charges	Investments
PROPRIETARY BALANCE SHEET (Exhibit A)	\$125,331,102	\$93,285,279	\$19,744,776	\$ 736,362	\$ 29,208		\$11,535,477	
DEDUCT:								
Fixed capital properties	93,285,279	93,285,279						
Rentals and payroll deductions	2,498,221		2,498,221					
Costs in revolving funds	4,550		4,550					
Advances to Purchasing Department	192		192					
Bonds matured - unpaid	10,000		10,000					
Bond interest matured - unpaid	20,410		20,410					
Hume Foundation Trust Fund	237		237					
Accounts receivable - tuition	174,770		174,770					
Salary suit repayments	7,580		7,580					
Rentals	50		50					
Inventories and deferred charges	11,535,477						11,535,477	
Cash transfers outstanding	4,414		4,414					
Total	107,541,180	93,285,279	2,538,024	182,400			11,535,477	
ADD:								
Investments	5,000							5,000
Inter-fund transactions	1,182,212				1,182,212	\$4,990,000		
1948 School Bonds unsold	4,990,000							
Reserve for unsecured property taxes	391,701			391,701				
Estimated Federal Grant Receivable - School Construction Project	54,000			54,000				
Penalties and costs - delinquent taxes	8,003			8,003				
Total	6,630,916			453,704	1,182,212	4,990,000		5,000
FUNDS BALANCE SHEET (Exhibit G)	\$ 24,420,838		\$17,206,752	\$1,007,666	\$1,211,420	\$4,990,000		\$ 5,000

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

LIABILITIES AND SURPLUS

-109-



**City and County of San Francisco
Employees' Retirement System**



**EXAMINATION
FOR THE YEAR ENDED
JUNE 30, 1954**

FARQUHAR & HEIMBUCHER

Certified Public Accountants

220 BUSH STREET, SAN FRANCISCO 4
CALIFORNIA

ASSOCIATED WITH NATIONAL FIRM OF
SCOVELL, WELLINGTON & COMPANY

November 16, 1954

To the Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California

We have examined the balance sheet of the City and County of San Francisco Employees' Retirement System at June 30, 1954 and the related statement of changes in reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of changes in reserves present fairly the financial position of the City and County of San Francisco Employees' Retirement System at June 30, 1954 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Farquhar & Heimbucher

SUMMARY OF CONTENTS

The remainder of this report, in addition to including the financial statements listed below, presents significant comments regarding the accounts and the extent of our verification thereof, under the following headings:

General Comments

Comments on Operations

Comments on Balance Sheet

FINANCIAL STATEMENTS

Exhibit A Balance Sheet at June 30, 1954

Exhibit B Statement of Changes in Reserves for the Year ended June 30, 1954

GENERAL COMMENTS

Our examination was made under the terms of an agreement with the Controller of the City and County of San Francisco dated January 8, 1954. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

The City and County of San Francisco Employees' Retirement System was originally established by the Board of Supervisors of the City and County of San Francisco on April 1, 1922, acting under Article XVII of the charter which was adopted at the general election of November 2, 1920. The System was established to provide retirement and death benefits for public employees other than policemen and firemen, who were at that time members of a separate pension system, and officers appointed by the Mayor or elected. In 1925 membership privileges were extended to employees of the San Francisco Unified School District. With the adoption of a new City and County of San Francisco charter effective January 8, 1932 the employees of the police and fire departments were brought into the System, and the present name and administration organization adopted.

The System is administered by the Retirement Board, consisting of seven members: the President of the Board of Supervisors; the City Attorney; three active members of the System elected by the membership; and two members appointed by the Mayor, of whom one is an officer of a bank and the other a resident official of a life insurance company.

The present members of the Retirement Board are Mr. George Christopher, President of the Board of Supervisors; Mr. Dion R. Holm, City attorney, whose designated representative is Mr. Norman S. Wolff; Mr. John F. Brady, Mr. Anselm B. Crowley, and Mr. James J. McGovern, elected by the membership; Mr. Belford Brown of the San Francisco Bank; and Mr. Harry J. Stewart of West Coast Life Insurance Company. Mr. Ira G. Thompson is Secretary and Mr. Ralph R. Nelson is Consulting Actuary of the System.

Membership in the System is now effective for all permanent civil service employees of the City and County of San Francisco, for employees of the San Francisco Unified School District, for certain temporary employees, and for certain elective officials. The present active membership is approximately 19,000, and approximately 4,300 retired employees or their beneficiaries are receiving monthly benefit allowances.

COMMENTS ON OPERATIONS

We have not audited the operating accounts in detail but we have reviewed the system of internal control and the accounting procedures in use and have made sufficient tests of the transactions reflected in the statement of changes in reserves to satisfy ourselves as to its general accuracy.

In the course of our examination we tested members' contributions with payroll records and with established contribution rates. Contributions of the City and County of San Francisco were found to be in accordance with the charter provisions.

In the case of members contributing under the matching plan provided under charter section 165, the City and County of San Francisco contributed amounts equal to the members' normal contributions. Contributions on behalf of members who are contributing under charter sections 165.2, 168.1, and 171.1 were computed at rates established by the consulting actuary. During the year under review these rates were as follows:

<u>Department</u>	<u>Charter Section</u>	<u>Rates</u>
Municipal Railway	165.2	6.502%
Water Department	165.2	10.605
Police Department	168.1	21.062
Fire Department	171.1	21.662
All others	165.2	12.553

The above rates were computed on the basis of an actuarial survey as at June 30, 1951 adjusted for charter section changes and amendments.

In addition to the above contributions for current service benefits the City and County of San Francisco made contributions for payments of prior and current service benefits to policemen retired under sections 166 and 167 and firemen retired under sections 169 and 170 and for prior service benefits to other members retired or deceased.

Bond interest earned represents interest collected or accrued less amortization of premiums plus accumulation of discounts.

Profit from sale of bonds, \$ 31,052.74, represents the excess of proceeds realized over the amortized book value of bonds disposed of during the year.

City and County of San Francisco other contributions represent reimbursement of actual administrative expenses and net compensation costs incurred.

We examined or tested distributions to active and retired members and to beneficiaries of deceased members, representing withdrawals of contributions and payment of retirement and death benefits. No discrepancies were noted.

A summary of the benefits paid during the year under review is as follows:

Service retirements	\$ 5,554,621.39
Disability retirements	1,541,566.48
Industrial death allowances	591,704.06
Death benefits to members' beneficiaries	545,599.35
Death benefits to beneficiaries of retired employees	<u>133,485.06</u>
Total	<u>\$ 8,366,976.34</u>

Our examination of administrative expenses and compensation costs included tests of invoices and other supporting data and verification of the computation of compensation indemnity payments.

Of the total tax appropriations of prior years in excess of requirements of those years the sum of \$ 450,957.15 has been appropriated to meet requirements for the current year. The net excess of \$ 971,485.30 is also shown as a reserve reduction as a sum due to the City and County of San Francisco. This is in accordance with an opinion of the City Attorney dated September 24, 1954 which holds that such excess is to be returned to the General Fund of the City and County of San Francisco. This excess was formerly carried as a reserve.

The excess of reserve additions over reductions for the year is added to the several reserve accounts which are described elsewhere in this report.

COMMENTS ON BALANCE SHEET

In the following paragraphs we comment on the assets and liabilities of the System in the order in which they appear on the balance sheet, Exhibit A.

Cash - \$ 2,290,435.05

Cash on deposit with the Treasurer of the City and County of San Francisco, \$ 2,290,435.05, was verified by reconciliation with the balance shown on a certificate obtained direct from the General Audit Division of the Controller's Office, who performed the audit of the Treasurer's Office.

Certain warrants, amounting to \$ 35,985.87, which were cancelled by the Controller's department after they had remained unpaid for a considerable period of time are being carried as outstanding warrants in the accounts of the System and have been deducted from the above cash balance. The System is presently attempting to locate the payees of these warrants and make payment to them.

Employees' Contributions In Process of Collection - \$ 493,162.00

The above amount represents contributions withheld from employees' salaries for May and June, 1953, for which cash transfers were made after June 30, 1954. This amount was confirmed by direct communication with the office of the Controller.

City and County of San Francisco Contributions and Reimbursements - \$ 603,420.66

A summary of the balances due from the City and County of San Francisco at June 30, 1954 is as follows:

City and County contributions due from public utilities and special funds	\$ 499,503.57
Contributions of policemen paid to Police Relief and Pension Fund prior to January 8, 1932	61,469.16
Due from special funds	
Compensation costs	<u>42,447.93</u>
Total	<u>\$ 603,420.66</u>

The amounts due for City and County of San Francisco contributions due from public utilities and special funds represent contributions for May and June, 1954, for which cash transfers were made after June 30, 1954.

Contributions of policemen made prior to January 8, 1932, were not transferred to the Retirement System when the police department joined the Retirement System on that date. Instead, the balance is reduced at the time of separation, death, or retirement of each member by the amount of the contribution made to the former fund by that individual member plus interest and charged against current tax appropriations. It was not possible for us to confirm this balance with outside sources, but we reviewed the changes in the account during the year under review.

The amounts due from special funds for compensation costs were verified by examination of the books of the Controller.

We have obtained confirmation of the other amounts due from the City and County of San Francisco by communicating direct with the office of the Controller, and, in cases of departments being currently audited by other certified public accountants, by communicating direct with their auditors.

Bond Interest Received - \$ 1,021,772.91

We have satisfied ourselves by an independent calculation that the above amount of \$ 1,021,772.91 represents the bond interest earned but not yet received at June 30, 1954.

Estimated Future City and County of
San Francisco Contributions for
Compensation Claims Pending - \$ 1,005,069.02

The above figure represents the estimated amount to be received from the City and County of San Francisco to meet future payments of existing compensation claims at June 30, 1954. This amount is offset on the balance sheet by a similar amount representing the estimated liability for such claims.

This figure is based on estimates of the Compensation Division and was not verified by us.

Under the provisions of the Charter of the City and County of San Francisco, the benefit provisions of the workmen's compensation insurance and safety laws of the State of California, as they affect officers and employees of the City and County, are administered by the Retirement Board. Benefits under such risks as are assumed by the City and County are paid by the Retirement System from funds furnished by Special Fund Agencies and tax appropriation.

Bond Investments - \$ 142,495,204.83

Bonds owned by the System are held in the joint custody of the Controller and the Treasurer of the City and County of San Francisco. They were verified by us by inspection as at June 30, 1954.

The above amount represents the purchase price of bonds owned adjusted for amortization of premiums and discounts from the dates of purchase to June 30, 1954. We did not ascertain the current market value of these securities. None of the bonds owned were in default as to principal or interest at June 30, 1954.

All bonds owned are of the character legal for investment by insurance companies in the State of California.

On the books of the System the amortized value of the bond investments is reduced by the balance of the undistributed earnings from the disposition of certain bonds in prior years. For financial statement purposes, however, this balance, which amounted to \$ 2,699,913.99 at June 30, 1954, is shown as a reserve as described later in this report.

Tax Appropriations in Excess of Requirements
Payable to City and County of San Francisco - \$ 971,485.30

This account represents the accumulated net excess of City and County of San Francisco tax appropriations allocated to the Retirement System in prior years over the pension costs incurred.

The tax allocation has been made annually at the beginning of the year and in any one year may have been greater or smaller than the actual requirements for that year. The present net excess has accumulated since July 1, 1946.

The City Attorney has rendered an opinion, as previously requested by the Retirement System, regarding the disposition of this account. Opinion number 881, dated September 24, 1954, provides that the excess in the appropriations made to the Retirement System since July 1, 1946 is to be returned to the General Fund in accordance with Section 80 of the charter. The excess of this nature accumulated prior to July 1, 1946, \$ 257,888.43, is to be retained by the Retirement System as a reserve against the obligations of the City and County of San Francisco on account of benefits that have been granted and on account of prior service of members. This amount is included in the reserves of the System.

In accordance with the City Attorney's opinion the unallocated tax appropriation, \$ 971,485.30, is now payable to the City and County of San Francisco.

This excess has been derived as follows:

Unallocated tax appropriations balance at June 30, 1953		\$ 1,422,442.45
Deduct Fixed charges for current and prior service and other costs	9,779,387.90	
Less Tax appropriations allocated to the Retirement System for current year	<u>9,328,430.75</u>	<u>450,957.15</u>
Net excess at June 30, 1954		\$ <u><u>971,485.30</u></u>

Compensation Costs - \$ 22,639.54

This amount includes medical bills of \$ 22,603.94 and filing fees of \$ 35.60 actually determined at June 30, 1954.

Accumulated Contributions of Former Members - \$ 23,260.80

This amount consists in most part of pension warrants issued to a member who was elected as an officer of the County after retirement, and who declined pension payment. The remaining balance in this account represents warrants issued for withdrawals of contributions, but not yet presented for payment.

Advances from Private Sources - \$ 1,675.00

The above represents unexpended amounts received from various organizations for actuarial valuation expenses pertaining to proposed legislation affecting the retirement statutes.

Estimated Liability for Compensation Insurance
Claims Pending - \$ 1,005,069.02

This amount is based on estimates by the Compensation Division and was not verified by us. It is offset by a similar amount shown as due from the City and County of San Francisco.

Reserves for Current Service Benefits
Already Granted - \$ 38,226,948.25

This account represents reserves necessary to provide annuities and pensions for current service to retired members or their beneficiaries. Such reserves are not provided to meet pension requirements for prior service nor for current or prior service in the case of policemen retired under charter section 166 or of firemen retired under charter section 169, as such costs are covered by current contributions of the City and County of San Francisco.

These reserves are based originally on contributions accumulated by or for members, plus interest credited, less subsequent payments. However, since retirement benefits are on a guaranteed basis, some members' accounts eventually show payments in excess of the accumulated reserves while in other cases the reserves will exceed the actual payments. Therefore, as required by law, an actuarial valuation of these reserves is made every six years based on current mortality and interest rates. Such an actuarial survey was made as at June 30, 1951 upon which the above amount was based.

Reserves for Current Service Benefits
Not Yet Granted - \$ 98,141,452.99

Members' contributions accumulated, as required by the applicable sections of the charter, together with the accrued interest amounted to \$ 47,445,128.85. We have ascertained that this total is the aggregate of the balances reflected on individual members' accounts. We tested postings to the individual accounts from the payroll records and other sources. In all cases tested members were found to have been credited with their payroll withholdings and also with interest for the year ended June 30, 1954 at the rate of two and one-half percent.

Statements of accounts as at June 30, 1954 were prepared for substantially all active members and delivered by us to the various departments of the City and County for distribution to the members. Each statement carried a request that the member communicate direct with us if he believed it to be incorrect. All discrepancies

which have been reported to us to date were minor in nature and have been adjusted. It was not practicable to deliver statements for all the accounts, but we have scrutinized the accounts for which statements were returned undelivered, as well as those for which no statements were prepared.

City and County of San Francisco accumulated contributions, \$ 50,696,324.14, for the benefit of present members not yet retired are reflected in this account. Separate accounts are not maintained for individual members, but the contributions are computed in accordance with the charter section applicable to each member.

For the fiscal year ended June 30, 1954 interest was credited to this account at the rate of two and one-half percent.

Reserves for Death Benefits on Deposit - \$ 21,436.16

This amount represents death benefits which the beneficiaries have voluntarily left on deposit with the Retirement System. They are being paid to the beneficiaries in monthly instalments.

Other Reserves - \$ 9,495,097.41

City and County of San Francisco contributions reserved for prior and current service benefits not otherwise funded, \$ 2,490,740.38 consists of unallocated funds retained by the System, as provided by an ordinance effective June 30, 1946, plus annual additions for City and County of San Francisco contributions released as a result of withdrawal or death of members who were participating under matching plans and interest credited. Allocations are made from these funds for financial statement purposes to the reserve for disability pensions in order to increase this reserve to the present value of the current service portion of disability pensions for retired members. These funds are also reduced annually for certain death benefits of active and retired members and for the restoration of matching contributions in connection with the redeposit of members contributions previously withdrawn.

Changes in this reserve during the year under review were as follows:

Balance at June 30, 1953

\$ 2,410,339.09

Increases

Contributions released on withdrawal
of active members

35,676.90

Contributions released on death of
active members

36,342.41

Interest credited to reserve

109,263.55

161,282.86

2,591,521.55

Decreases

Amount allocated to the reserve for
disability pensions

Required at June 30, 1954

1,988,216.86

Required at June 30, 1953

1,961,876.29

Increase in amount allocated

25,340.57

Death benefits paid to beneficiaries
of matching plan members

64,616.83

Amount transferred on account of
redeposit of members' contributions
previously withdrawn

9,824.17

100,761.57

Balance at June 30, 1954

\$ 2,490,740.38

Unallocated earnings from sale of bonds, \$ 2,699,913.99 represent the unabsorbed portion of book profit from the sale of certain bonds. This reserve was created in accordance with resolutions adopted by the Retirement Board, and is being distributed over the life of the bonds purchased with the proceeds.

The following schedule shows the allocations of profit to date:

Profit realized from sale of bonds

Year ended June 30, 1943

\$ 400,421.35

1944

1,418,102.36

1945

3,207,543.26

1954

31,050.49

5,057,117.46

Profit applied for ten years ended

June 30, 1953

2,140,325.50

Balance undistributed

2,916,791.96

Profit applied for year ended June 30, 1954

216,877.97

Balance undistributed at June 30, 1954

\$ 2,699,913.99

On the books of the System this reserve is carried as a valuation reserve against the amortized value of bond investments.

Contingency reserve against adverse experience, \$ 4,304,443.04 represents interest earned on investments in excess of the amount allocated to all accumulated contributions and reserve accounts at the rates established by the Retirement Board. Also included in this account are accumulated profits of \$ 2,357,203.47 from the sale of bonds in prior years.

This reserve was established to meet possible deficiencies in interest of future years, losses on investments, and other contingencies, as approved by the Retirement Board at their meeting of December 1, 1948.

Changes in this account during the year under review were as follows:

Balance at June 30, 1953		\$ 3,519,510.90
Bond interest earned	3,777,051.36	
Prior years' profit on sale of bonds applied during the year	216,877.97	
Interest earned on City and County of San Francisco balance	1,624.32	
Other income and adjustments	<u>1,990.01</u>	<u>3,997,543.66</u>
Total		7,517,054.56
Less Interest credits to all accumulated contributions and reserves		<u>3,212,611.52</u>
Balance at June 30, 1954		\$ <u><u>4,304,443.04</u></u>

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM

EXHIBIT A - BALANCE SHEET AT JUNE 30, 1954

<u>ASSETS</u>		<u>LIABILITIES</u>	
CASH		LIABILITIES CURRENTLY PAYABLE	
RECEIVABLES		Tax appropriations in excess of requirements payable to City and County of San Francisco	\$ 971,485.30
Employees' contributions in process of collection	193,162.00	Compensation costs	22,639.54
City and County of San Francisco contributions	603,420.66	Accumulated contributions of former members	23,260.80
and reimbursements		Advances from private sources	1,675.00
Bond interest accrued	1,021,172.91	Estimated liability for compensation claims pending (contra)	1,005,069.02
Estimated future City and County of San Francisco contributions for compensation claims pending (contra)	1,005,069.02		3,024,129.66
		RESERVES	
BOND INVESTMENTS AT AMORTIZED VALUE		For current service benefits already granted	
(PAR VALUE, \$ 112,413,287.)		Service retirements	7,619,029.44
United States Government	63,701,160.69	Annuities	20,045,753.39
California municipalities, school districts, and other divisions		Disability retirements	
Municipalities other than California	9,312,706.06	Annuities	773,957.98
Hailroads	4,217,696.05	Pensions	7,629,666.82
Railroad equipment trusts	14,428,867.56	Industrial death allowances	
Public utilities	1,217,124.13	Annuities	115,308.19
	19,039,671.42	Pensions	1,613,232.43
		For current service benefits not yet granted	
	112,495,204.83	Members' accumulated contributions	38,339,459.55
		Normal - general	4,571,930.55
		Police	3,556,508.12
		fire	975,152.62
		Additional	147,445,128.85
		City and County of San Francisco	50,696,324.14
		accumulated contributions	
		For death benefits on deposit	
		Other	
		City and County of San Francisco	
		contributions reserved for prior and current service benefits not otherwise funded	2,490,780.36
		Unallocated earnings from sale of bonds	2,699,913.99
		Contingency reserve against adverse experience	4,304,443.04
			\$ 147,999,064.47
			\$ 147,999,064.47

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM

MENBERS' CONTRIBUTIONS				Total reserve additions (forward)	\$ 66,485,395.61
Normal					
General	\$ 5,772,139.96				
Police	655,168.61				
Fire	<u>500,633.29</u>				
Additions		6,931,941.86			
Redeposits of withdrawn contributions		<u>94,412.56</u>	7,056,165.21		
CITY AND COUNTY OF SAN FRANCISCO					
REGULAR CONTRIBUTIONS					
Current service reserves					
General	7,973,510.47				
Police	1,829,457.03				
Fire	<u>1,469,803.66</u>				
Current service benefits		11,292,801.16			
Police	169,931.21				
Fire	<u>769,757.07</u>				
Prior service benefits		919,691.28			
General	811,792.87				
Police	827,218.97				
Fire	<u>1,347,682.66</u>				
INCOME					
Bond interest earned	3,777,051.36				
Profit from sale of bonds	<u>31,052.74</u>				
Other	<u>3,929.91</u>				
CITY AND COUNTY OF SAN FRANCISCO					
OTHER CONTRIBUTIONS					
For administrative expenses (contra)		200,413.77			
For compensation insurance costs incurred (contra)		<u>211,665.48</u>			
TOTAL RESERVE ADDITIONS FORWARD					
		\$ 26,485,395.61			
Total reserve additions forward					\$ 116,884,931.61

Treasurer's Office



REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1954

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

October 20, 1954

Mr. Harry D. Ross
Controller
City and County of San Francisco

OFFICE OF THE TREASURER
Report on Examination of Accounts
Fiscal Year Ended June 30, 1954

Dear Sir:

In accordance with your instructions and pursuant to provisions of Charter Section 66, an examination, to the extent outlined in this report, was made of the office of the Treasurer of the City and County of San Francisco for the Fiscal Year ended June 30, 1954.

Mr. David F. Supple, Grand Jury Statistician, participated in this examination.

AUTHORITY

Operations of the Treasurer's Office are governed by provisions of the General Laws of the State of California, the City and County Charter and ordinances and resolutions of the Board of Supervisors. The laws pertaining to those operations are cited in audit reports of prior years. Pertinent excerpts on current laws are cited in applicable sections of this report.

SCOPE OF EXAMINATION

Examination was made of accounts and records maintained by the Treasurer, including a verification of money and securities received and disbursed during the fiscal year and the accountability as at June 30, 1954, according to Controller's records, as hereinafter reported. In view of existing methods of internal check and continuous audits of receipts and disbursements maintained between the offices of the Treasurer and Controller, a detailed audit thereof was not duplicated by this examination.

Cash on hand was verified June 30, 1954, by count. Cash in banks was reconciled with the Treasurer's records and confirmed direct to this office by the several depositaries.

Securities and other assets in the custody of the Treasurer on June 30, 1954, were verified as hereinafter reported.

Revenues and expenditures in connection with the operation of the Treasurer's Office during the fiscal year were confirmed against the Controller's records.

Unused prenumbered fee tags in possession of the Treasurer were in agreement with the fee tags charged to the Treasurer by the Controller's Revenue Division.

The Treasurer's Office was the depository of funds of the Islais Creek Reclamation District. During the fiscal year, all funds of the District were withdrawn and the District dissolved. An examination of the records of the District was not included in this assignment.

EXAMINATION

The Treasurer's accountability for cash and securities as at June 30, 1954, amounted to \$335,133,088.26, as compared with June 30, 1953 accountability of \$332,831,808.19, summarized as follows:

	<u>June 30, 1954</u>	<u>June 30, 1953</u>
Cash and Cash Items	\$ 84,846,611.76	\$ 92,839,594.19
Securities (Bonds at Par Value)	250,281,437.50	239,992,175.00
Other Deposits (Corporate Stock)	5,039.00	39.00
Total (Exhibit "A")	<u><u>\$335,133,088.26</u></u>	<u><u>\$332,831,808.19</u></u>

Cash and cash items totaling \$84,846,611.76, detailed in Exhibit "A", consists of cash on hand, cash in banks, and other items representing cash at the close of business June 30, 1954. The \$84,846,611.76 was in agreement with the total charged the Treasurer by the Controller as at that date, as indicated in the following comparative summary:

	<u>June 30, 1954</u>	<u>June 30, 1953</u>
Cash and Cash Items on Hand	\$ 1,187,022.11	\$ 1,335,663.74
Cash in Banks	82,930,764.38	90,594,501.97
United States Bonds (Par Value)	69,300.00	108,900.00
Total verified at June 30th	<u><u>\$ 84,187,086.99</u></u>	<u><u>\$ 92,039,065.71</u></u>

Deposits received after June 30th, applicable to the fiscal year under review

<u>659,524.77</u>	<u>800,528.48</u>
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Total June 30th, Per Treasurer and Controller

<u><u>\$ 84,846,611.76</u></u>	<u><u>\$ 92,839,594.19</u></u>
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The above \$84,846,611.76 was reconciled with Controller's available cash of \$74,440,514.07; the difference of \$10,406,097.69 consists of outstanding items per Controller's Division of Accounts and Reports as follows:

	<u>General City</u>	<u>Public Service Enterprises</u>	<u>Total</u>
Warrants Outstanding	\$7,127,922.35	\$ 3,072,433.84	\$ 10,200,356.19
Matured and Unpaid Bonds	13,000.00	94,200.00	107,200.00
Matured and Unpaid Bond Coupons	17,322.75	81,218.75	98,541.50
Total	<u><u>\$7,158,245.10</u></u>	<u><u>\$ 3,247,852.59</u></u>	<u><u>\$ 10,406,097.69</u></u>

CASH AND CASH ITEMS ON HAND \$1,187,022.11

The \$1,187,022.11 consisted of:

<u>Item</u>	<u>Amount</u>	<u>Audit Comment</u>
Coin and Currency	\$ 808,681.83	Verified by count.
Checks on Hand for Deposit	377,478.77	Appeared in order; deposited in Bank 7-1-54.
Due from Clearing House	37.00	Overpayment \$37.00 - adjusted 7-1-54.
Special Deposit - Health Service System	824.51	Redeposited to the Health Service System's Account in Bank of America on 7-1-54
Total	<u><u>\$1,187,022.11</u></u>	

CASH IN BANKS \$82,930,764.88

Cash confirmed directly to be on deposit in banks at the close of business June 30, 1954, in the amount of \$83,822,201.03, as detailed in Exhibit A-1, was reconciled with balances reflected on Treasurer's records totaling \$82,930,764.88; segregated as follows:

Bank	Amount of Deposit		Total	Per Cent
	Inactive	Active		
American Trust Company	\$ 4,000,000.00	\$ 2,923,987.08	\$ 6,923,987.08	8.36%
Anglo Calif. National Bank	7,375,000.00	2,494,379.71	9,869,379.71	11.90%
Bank of America	26,050,000.00	10,478,085.03	36,528,085.03	44.04%
Bank of Canton	500,000.00	500,000.00	1,000,000.00	1.20%
Bank of California	4,250,000.00	4,250,000.00	8,500,000.00	10.25%
Bank of Montreal	500,000.00	500,000.00	1,000,000.00	1.20%
Bank of Tokyo	250,000.00	250,000.00	500,000.00	.60%
Canadian Bank of Commerce	650,000.00	650,000.00	1,300,000.00	1.57%
Crocker First National Bank	1,500,000.00	1,000,000.00	2,500,000.00	3.01%
Pacific National Bank	750,000.00	750,000.00	1,500,000.00	1.81%
Sumitomo Bank	250,000.00	250,000.00	500,000.00	.60%
San Francisco Bank	2,500,000.00	3,500,000.00	6,000,000.00	7.24%
Wells Fargo Bank & Union Trust Co.	4,000,000.00	2,809,313.06	6,809,313.06	8.22%
Total	\$52,575,000.00	\$30,355,764.88	\$82,930,764.88	100.00%
Ratio of Deposits	63.39%	36.61%	100.00%	

Inactive Accounts in the total of \$52,575,000.00, represented by Certificates of Deposit, are in agreement with the Treasurer's ledger accounts and banks' confirmations. Interest earnings on Inactive Accounts during 1953-1954 were at the rate of 1% on 30 days' notice, (except Bank of Canton-90 days' notice), and 1½% and 1½% on 90 days' notice, as detailed in Exhibit A-1, and hereafter discussed under "Revenues". All inactive accounts are maintained in compliance with Government Code Section 53643, which reads:

"53643. Term deposits: Maximum term.

The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depository. The term shall not exceed one year".

The Active Balances of \$30,355,764.88 were reconciled with \$31,247,201.03 confirmed to be on deposit by banks. The difference of \$891,436.15 consists of currently outstanding checks in the amount of \$898,117.24 and one check for \$50.00 dated December 20, 1944, less a deposit received by the Bank of America July 1, 1954 in the amount of \$6,731.09 which appeared on the Treasurer's records as June 30, 1954.

As detailed on Exhibit A-1, the amount on deposit with banks as at June 30, 1954, are within the limitations specified in Government Code Section 53638, which reads:

"The deposit shall not exceed the total paid-up capital and surplus of any depository".

Resolution 3469 of the Board of Supervisors, approved August 16, 1947, authorizes the Treasurer to enter into the necessary agreements with the banks, as required by law for the deposit of funds under his jurisdiction, and to determine the amount that shall be deposited in either active and inactive accounts.

UNITED STATES BONDS (BAIL DEPOSITS) - \$69,300.00 Par Value

United States Bonds having a par value of \$69,300.00, representing deposits with the Superior and Municipal Courts as bail, agreed with the amount charged to the Treasurers, per Controller's records. Of this amount, Court Orders for the release of \$13,050.00 par value bonds, representing 51 deposits, which were validated by the Controller for release or forfeiture are still in possession of the Treasurer as at June 30, 1954. It is suggested that the forfeited bonds, which represent a General Fund Item, be converted to cash.

DEPOSITS AFTER JUNE 30, 1954 - \$659,524.77

The \$659,524.77 represents collections by various City and County Departments pertaining to transactions for 1953-1954, which were deposited with the Treasurer in July 1954, as follows:

July 1, 1954	\$405,508.06
July 2, 1954	89,898.50
July 6, 1954	<u>164,118.21</u>
Total	<u>\$659,524.77</u>

TREASURER'S CASH AND CASH ITEMS - \$84,846,611.76

The Treasurer's cash and cash items in the total of \$84,846,611.76 are detailed by individual funds in Exhibits D, D-1, and D-2; reconciled as to cash transactions for the fiscal year 1953-1954, in Exhibit "C"; and summarized and compared by fund classifications as follows:

CLASSIFICATION BY FUNDS

	<u>June 30th</u>	
	<u>1954</u>	<u>1953</u>
<u>CURRENT FUNDS:</u>		
General City	\$34,276,284.92 (1)	\$33,048,559.50 (1)
Public Service Enterprises	8,406,253.07	8,853,391.05
General City - Bond Interest	32,612.06	16,010.25
Public Service - Bond Interest	804,968.75	861,255.00
General City - Bond Redemption	13,000.00	10,000.00
Public Service Enterprises - Bond Redemp.	2,094,200.00	2,057,200.00
TOTAL CURRENT FUNDS (EXHIBIT D)	<u>\$45,627,318.80</u>	<u>\$44,846,415.80</u>
<u>CAPITAL FUNDS:</u>		
General City	19,448,680.63	20,971,793.75
Public Service Enterprises	<u>12,803,589.83</u>	<u>20,247,166.28</u>
TOTAL CAPITAL FUNDS (EXHIBIT D-1)	<u>\$32,252,270.46</u>	<u>\$41,218,960.03</u>
<u>SPECIAL AND TRUST FUNDS:</u>		
Private Trusts	1,977,312.22	1,929,900.13
Public Trusts	4,189,278.67	3,978,454.11
Assessment and Redemption	12,343.55	12,343.55
Agency	<u>788,088.06</u>	<u>853,520.27</u>
TOTAL SPECIAL AND TRUST FUNDS (EXHIBIT D-2)	<u>\$ 6,967,022.50</u>	<u>\$ 6,774,218.36</u>
TOTAL OF ALL FUNDS (EXHIBIT C)	<u>\$84,846,611.76</u>	<u>\$92,839,594.19</u>

- (1) Includes deficits in Auditorium Fund \$167,930.42, Firemen's Relief and Pension Fund \$171,332.32, and Police Relief and Pension Fund \$103,235.58, which were created prior to the adoption of the present Charter, effective January 8, 1932.

SECURITIES - PAR VALUE - \$250,286,476.50

Securities in the joint custody of the Treasurer and Controller as provided in Charter Section 83, were examined and verified as hereinafter reported. All securities summarized below, except collateral securities deposited by banks, are held in the joint custody vault of the Treasurer and Controller. The total par value of securities charged to the Treasurer as at June 30, 1954, are compared with Controller's book values, as follows:

CHARGED BY THE CONTROLLER:

BONDS:

	<u>Treasurer's Par Value</u>	<u>Controller's Book Value</u>
Employees' Retirement Fund	\$142,413,987.50	\$142,495,204.83
Bequest and Trust Funds	361,500.00	362,682.50
Deposits on Leases	106,500.00	106,500.00
Miscellaneous Deposits	1,450.00	1,450.00
Total	\$142,883,437.50	\$142,965,837.33

CORPORATE STOCK:

Bequest Funds	\$ 39.00	\$ 2,094.25
Deposits on Leases	5,000.00	5,000.00
Total	\$ 5,039.00	\$ 7,094.25

NOT CHARGED BY THE CONTROLLER:

	<u>PAR VALUE</u>	<u>MARKET VALUE</u>
Collateral Securities (Bonds)	\$107,398,000.00	\$109,276,597.41

TOTAL SECURITIES ACCOUNTED FOR
BY THE TREASURER, JUNE 30, 1954

\$250,285,476.50	\$252,249,528.99
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EMPLOYEES' RETIREMENT FUND - PAR VALUE BONDS - \$142,413,987.50

Verification of bonds in the above amount and coupons attached thereto was made by physical count as at June 30, 1954, in conjunction with representatives of Farquhar and Heimbucher, Certified Public Accountants, engaged for this year's audit of the Employees' Retirement System.

Pursuant to the Controller's instructions dated August 15, 1940, bonds and coupons maturing during the fiscal year were examined and released by the Controller's Division of Accounts and Reports to the Treasurer for collection. Reports reflecting monthly collections were prepared by the Controller's Division of Accounts and Reports and transmitted to the Employees' Retirement Board, as requested in a memorandum dated August 6, 1933, from Mr. Ralph Nelson, then Secretary-Actuary.

The total par value of bonds \$142,413,987.50, on hand with the Treasurer, was confirmed by the Employees' Retirement System; the total was in agreement with Controller's Security Ledger.

EMPLOYEES' RETIREMENT FUND - PAR VALUE BONDS - \$142,413,987.50 (Continued)

Transactions during the fiscal year 1953-1954 are summarized at par values from the Controller's records as follows:

	<u>Par Value Bonds</u>
Bonds on hand June 30, 1953, per prior annual audit report	\$125,953,975.00
Add: Purchases during 1953-1954	<u>17,625,000.00</u>
	\$143,578,975.00
Less: Matured, Called or Sold during the fiscal year	<u>1,164,987.50</u>
Balance on Hand - June 30, 1954	<u><u>\$142,413,987.50</u></u>

BEQUEST AND TRUST FUNDS - \$361,500.00 PAR VALUE BONDS

The above bonds with unmatured interest coupons attached were examined and verified with Controller's records, as detailed in Exhibit A-2 (by funds) and Exhibit A-3 (by securities).

During the fiscal year, the following changes were made in Bequest and Trust Fund securities:

Honora Sharp Bequest - United States Treasury Bonds, Par Value \$9,000.00 were sold October 28, 1953, and the proceeds \$9,050.40 were credited to the cash of the bequest fund.

Fuhrman Bequest - United States Treasury Bonds, Par Value \$4,500.00 matured September 15, 1953 and an additional investment of \$15,000.00 in United States Treasury Bonds was added to the bequest fund investments.

Panama Pacific Exposition Trust Fund - During May 1954, \$1,000.00 par value New York City Stock (Bonds) matured and the proceeds were credited to the Trust Fund Cash Account. Resolution No. 1100, Passed by the Trustees of the War Memorial on December 27, 1937, declared the sum of \$15,000.00 to be the principal sum of the fund for the purposes of the investment and reinvestment. Pursuant to the Trust Agreement, the net income from the fund is to be paid to a student of the University of California, appointed by the Regents of the University. The investment of the fund as at June 30, 1954 was \$14,000.00. It is now in order that the \$1,000.00 be reinvested to comply with the above resolution.

The collection and deposit of interest coupons on the above bonds is verified currently by the Controller's Division of Accounts and Reports; the verification was test checked for the purpose of this audit.

DEPOSIT ON LEASES - \$106,500.00 - PAR VALUE BONDS

Security on various leases of City and County property is represented by deposits of United States Treasury Bonds, Par Value \$106,500.00. The deposits conform to provisions of leases and amounts reflected on Controller's records, as detailed on Exhibit A-3.

MISCELLANEOUS DEPOSITS - UNITED STATES SAVINGS BONDS - \$1,450.00

The \$1,450.00 represents deposits with the Treasurer for safekeeping by the following departments, as detailed on Exhibit A-3:

County Clerk, Superior Court Action 396879, Estate of Henry J. Byrne	\$1,425.00
Recreation and Park Department, North Beach Playground, per Supervisor's Resolution 12022	25.00
Total	<u>\$1,450.00</u>

CORPORATE STOCK - \$5,039.00

Corporate stock of \$5,039.00, par value, as detailed in Exhibit A-3, consists of:

	Treasurer's Records (Par Value)	Controller's Book Value
<u>BEQUEST FUNDS-INVESTMENTS:</u>		
August Brunetti Bequest:		
Bank of America N.T. & S.A. - 2 Shares Common Stock	\$ 25.00	\$ 36.50
Transamerica Corporation 7 Shares Capital Stock	14.00	57.75
Llewella F. Lewis Bequest:		
Smart, Final & Iris 400 Shares Common Stock	No Par	2,000.00
Bequest Fund Investments	39.00	2,094.25

DEPOSITS ON LEASES:

50 Shares-Pacific Telephone & Telegraph Co. Common Stock, deposited by John H. Partridge on lease, Marshall Square Property	5,000.00	5,000.00
TOTALS	<u>\$5,039.00</u>	<u>\$7,094.25</u>

COLLATERAL SECURITIES - \$107,398,000.00 PAR VALUE BONDS

Collateral Securities, with unmatured interest coupons attached, on hand in the Treasurer's vault, June 30, 1954, were examined and verified by direct confirmation. The total par value of \$107,398,000.00 was in agreement with the Treasurer's Security Register and bank ledger accounts. These securities consisted of Federal, State or other Government Bonds of the type required by Government Code Section 53651; approved by the Treasurer and City Attorney, in accordance with Government Code Section 53655.

The depositing banks certified direct to the Controller that the collateral securities had a market value of \$109,276,597.41 at June 30, 1954, to secure the \$83,822,201.03 on deposit on that date. The \$109,276,597.41 was at least 10 per cent in excess of deposits which did not exceed the face value of the collateral, in conformity with Government Code Section 53657.

COLLATERAL SECURITIES - \$107,398,000.00 PAR VALUE BONDS (Continued)

The individual balances on deposit in banks, the par and market value of collateral securities, and the percentage of market value in excess of bank deposit, are detailed in Exhibit A-1.

MISCELLANEOUS

Miscellaneous assets and documents in the joint custody vault, having no book value, were examined as detailed on Exhibit A-3.

UNSOLD CITY AND COUNTY BONDS - \$38,555,000.00

Unsold (Unissued) City and County Bonds at June 30, 1954 amounted to \$38,555,000.00, which represents the remainder from issues totaling \$121,135,000.00 authorized by the electorate in amounts and on dates indicated:

	Total Authorized	Sold		Unsold June 30, 1954
		Prior to 1953-1954	During 1953-1954	
<u>Authorized Nov. 4, 1947</u>				
Street Improvement	\$22,850,000	\$14,900,000	\$ 1,000,000	\$ 6,950,000
Recreation	12,000,000	8,230,000	- -	3,770,000
Off-Street Parking	5,000,000	1,000,000	- -	4,000,000
<u>Authorized June 1, 1948</u>				
Sewage Treatment	15,000,000	12,550,000	1,000,000	1,450,000
<u>Authorized Nov. 2, 1948</u>				
Schools	48,890,000	40,900,000	3,000,000	4,990,000
<u>Authorized Nov. 4, 1952</u>				
Firehouse	4,750,000	- -	- -	4,750,000
<u>Authorized June 8, 1954</u>				
Sewer	12,645,000	- -	- -	12,645,000
Total	<u>\$121,135,000</u>	<u>\$77,580,000</u>	<u>\$ 5,000,000</u>	<u>\$38,555,000</u>

There were no printed unsold bonds on hand. The amount of \$38,555,000.00 was confirmed against the Controller's records. It is the practice of the Treasurer to order the printing of bonds only when a sale has been made by the Board of Supervisors. No evidence was found that the Treasurer deviated from his usual practice in respect to the above issues.

FISCAL AGENT - NEW YORK

Ordinance No. 1184, approved May 20, 1941, designated the National City Bank of New York as the Fiscal Agent of the City and County of San Francisco for the purpose of providing payment in the City of New York, of principal and interest due on bonds issued by the City and County of San Francisco, and provides for rates of compensation of said fiscal agent.

FISCAL AGENT - NEW YORK (Continued)

Transactions reported by the Fiscal Agent during the fiscal year ended June 30, 1954, were reviewed. Bonds and coupons paid and cancelled were verified in detail against the Controller's records and confirmed direct to this office by the National City Bank of New York. Compensation of \$12,712.70 due in quarterly installments for the year was computed as follows:

	Par Value Paid and Cancelled	Compensation	
		Authorized Rates	Earned for 1953-1954
Bonds	\$ 9,321,000.00	1/20 of 1%	\$ 4,660.50
Coupons (201,305)	2,603,766.25	4¢ each	8,052.20
	<u>\$11,924,766.25</u>		<u>\$12,712.70 (1)</u>

(1) Includes \$1,851.72, for the last quarter, which was paid July 28, 1954, by Controllers Warrant 6339-2.

UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County Employees under the payroll allotment plan was authorized by the Board of Supervisors by Resolution No. 2666, adopted June 12, 1942. In addition bonds were purchased by employees upon receipt of the full bond purchase price, as authorized by Resolution No. 3786, adopted January 17, 1944.

The total issue value of bonds purchased by the Treasurer for City and County Employees during the Fiscal Year 1953-1954 amounted to \$604,314.50, as compared to \$560,475.00 for the previous year. Receipts on file evidence that all bonds purchased during the fiscal year were delivered to authorized departmental representatives for delivery to employees.

Cash on hand June 30, 1954, for the purchase of bonds for future delivery, as shown by the Treasurer's records, amounted to \$37,936.83, which was in agreement with the balance in the Controller's Private Trust General Ledger Account "War Bonds" as shown on Exhibit D-2. Reconciliation with related appropriation account balance is made monthly by the Controller's Division of Accounts and Reports.

REVENUES AND EXPENDITURES

Revenues derived through the operation of the Treasurer's Office, exceed expenditures and encumbrances by \$534,056.95, as compared with \$482,200.16 for the prior fiscal year, summarized as follows:

	1953-1954	1952-1953
<u>Revenues:</u>		
Interest Earned on Inactive Bank Deposits	\$615,018.93	\$564,398.07
Commission on Inheritance Tax Collections	31,211.21	31,733.98
Duplicate "Inheritance Tax Receipt Fees", etc.	86.00	111.00
Conscience Money	130.00	237.11
Total Revenue	<u>\$646,446.14</u>	<u>\$596,480.16</u>
Less: Expenditures and Encumbrances (Per Controller's Appropriation Accounts)	<u>112,389.19</u>	<u>114,280.00</u>
Revenues in excess of expenditures and encumbrances	<u>\$534,056.95</u>	<u>\$482,200.16</u>

REVENUES AND EXPENDITURES (Continued)

A detailed five-year comparative statement of revenues and expenditures and encumbrances is reflected on Exhibit B.

Comments relative to items appearing above are as follows:

Interest Earned on Inactive Bank Deposits - \$615,018.93

Interest earned in the above amount during the fiscal year, as recorded by the Controller, was in agreement with deposits of interest as recorded by the Treasury; computed at rates provided by agreements with depositaries on daily balances on deposit, and paid quarterly, in accordance with Government Code Section 53645, summarized as follows:

<u>Rates of Interest</u>	<u>Deposits Callable</u>	<u>Interest Received</u>	
		<u>1953-1954</u>	<u>1952-1953</u>
1%	On deposits callable on 30 days' notice, except Bank of Canton which required 90 days' notice	\$346,268.84	\$347,509.74
1½%	On deposits callable on 90 days' notice	8,125.02	216,888.33
1½%	On deposits callable on 90 days' notice	260,625.07	
	Total Interest Earned	<u>\$615,018.93</u>	<u>\$564,398.07</u>

Interest earned during 1953-1954 was distributed and compares as follows:

<u>Funds Credited:</u>	<u>1953-1954 Budget Estimate</u>	<u>Interest Earned</u>	
		<u>1953-1954</u>	<u>1952-1953</u>
General Fund	\$530,000.00	\$574,522.88	\$526,102.01
Municipal Railway Fund	15,000.00	20,977.25	20,090.61
Total Unapportioned Interest	545,000.00	595,500.13	546,192.62
Water Operating	15,000.00	18,750.04	16,851.77
State-County Fair	- -	768.76 (1)	1,353.68
Totals	<u>\$560,000.00</u>	<u>\$615,018.93</u>	<u>\$564,398.07</u>

In accordance with instructions of September 18, 1953, from A. E. Snider, Chief-Division of Fairs and Expositions of the State of California based on Government Code Section 16505, the Treasurer transferred the balance in Bank of America's State of California State Fair inactive account (Deposit Agreement No. 312) to the active account (Deposit Agreement No. 313).

COMMISSIONS ON INHERITANCE TAX COLLECTIONS - \$31,211.21

Inheritance tax commissions of \$31,211.21, for 12 months Ended May 31, 1954, and settlements with the State for the same period, are summarized from the Treasurer's records as follows:

Total Collections		\$3,633,276.51
Less Disbursements:		
Payments to the State	\$3,471,891.49	
Refunds	113,952.59	
Appraiser's Fees	16,221.22	3,602,065.30
Commissions Earned by the Treasurer		<u>\$ 31,211.21</u>

Accounts, maintained by the Treasurer for Inheritance Tax purposes, are recorded on State Controller's prenumbered forms, subject to settlement every two months, and to audit by representatives of the State Controller's Office. Such audit was not duplicated in this assignment.

The collections of \$3,633,276.51 were verified against deposits recorded by the Controller's Revenue Division. Payments to the State, refunds, appraiser's fees, and commissions earned were reconciled with expenditures reflected in related Controller's appropriation accounts.

Commission earned by the Treasurer in the total amount of \$31,211.21, for 1953-1954, was confirmed direct to this office by the State Controller. The amount is within the \$40,000.00 maximum commissions that may be retained by a Treasurer of a county of the second class, as provided in Section 14797 of the Revenue and Taxation Code.

DUPLICATE INHERITANCE TAX RECEIPT FEES AND
SAFE DEPOSIT BOX EXAMINATION FEES - \$86.00

A fifty cent fee for a "Duplicate Tax Receipt", and a one dollar fee for "Listing Contents of Safe Deposit Box" is charged by the Treasurer in accordance with Section 14144 and 14346 of the Revenue and Taxation Code. The collection and deposit of these fees is subject to the Controller's prescribed revenue procedure and is currently audited by the Controller's General Office. The deposit of the fees to the General Fund was verified against the Controller's records.

CONSCIENCE MONEY - \$130.00

The \$130.00 represents remittances received by the offices named, from unidentified sources and deposited with the Treasurer as conscience money,

Controller's Office	\$110.00
Treasurer's Office	20.00
	<u>\$130.00</u>

EXPENDITURES AND ENCUMBRANCES - \$112,389.19

Expenditures (\$110,820.90) and Encumbrances (\$1,568.29) from appropriations to the Treasurer's Office for 1953-1954, totaling \$112,389.19, compared with budget appropriations (as modified) \$113,443.00, were summarized from the Controller's records as follows:

EXPENDITURES AND ENCUMBRANCES - \$112,389.19 (Continued)

<u>By Treasurer</u>	<u>Appropriations as Modified</u>	<u>Expenditures and Encumbrances</u>
Permanent Salaries	\$ 96,685.00	\$ 96,285.00
Overtime	775.00	467.11
Contractual Services	1,894.00	1,802.47
Use of Employees' Cars	266.00	264.95
Materials & Supplies	1,843.00	1,667.21
Fixed Charges	5.06	- -
Fiscal Agent	11,750.00	11,750.00
 <u>By Purchaser</u>		
Telephone & Telegraph	225.00	152.45
 Total	<u>\$113,443.00</u>	<u>\$112,389.19</u>

Expenditures and Encumbrances are currently audited by the Controller's General Office, and such detailed audit was not duplicated in this assignment. Exhibit "B" reflects a comparison of revenues and appropriation expenditures and encumbrances for 1953-1954 and four prior fiscal years.

SURETY BONDS AND INSURANCE

Detail of Surety Bonds and Insurance in force during the fiscal year is reflected in Exhibit "E" attached hereto.

COMMENT:

The records maintained in the Treasurer's Office appear to be in order and systematically arranged to furnish all data needed for this examination.

The courtesy and cooperation extended by the Treasurer and his staff during the course of this examination is gratefully acknowledged.

Respectfully submitted,

GENERAL AUDIT DIVISION

Martin W. Judnick

Martin W. Judnick
B-14 Senior Accountant (Field Audits)

Note:

Exhibits A-1, A-2, A-3, D and E reflect detail of transactions presented in summary forms in the body of the above report. They have not been reproduced in this publication.

SUMMARY OF CASH, SECURITIES AND OTHER DEPOSITS

	<u>JUNE 30th</u>	
	<u>1954</u>	<u>1953</u>
<u>CASH AND CASH ITEMS</u>		
<u>Cash and Cash Items on Hand:</u>		
Coin and Currency	\$ 808,681.83	\$ 666,321.75
Checks on Hand for Deposit	377,478.77	669,166.95
Due from Clearing House	37.00	31.50
Special Deposit - Health Service System	824.51	143.54
Total Cash Items	<u>1,187,022.11</u>	<u>1,335,663.74</u>
<u>Cash on Deposit in Banks:</u>		
Active Accounts	30,355,764.88	37,714,501.97
Inactive Accounts	52,575,000.00	52,880,000.00
Total Banks	<u>82,930,764.88</u>	<u>90,594,501.97</u>
<u>Cash Received after June 30th and Applied to</u>		
<u>Fiscal Year Under Review</u>	<u>659,524.77</u>	<u>800,528.48</u>
<u>United States Bonds (Face Value)</u>	<u>69,300.00</u>	<u>108,900.00</u>
<u>Total Cash and Cash Items (Exhibits "C" & "D-2")</u>	<u>\$84,846,611.76</u>	<u>\$92,839,594.19</u>
<u>SECURITIES</u>		
<u>Bonds (Par Value):</u>		
Collateral from Banks (Exhibit "A-1")	\$107,398,000.00	\$113,563,000.00
Employees' Retirement Fund	142,413,987.50	125,953,975.00
Bequest Funds and Miscellaneous Deposits	348,950.00	347,450.00
Trust Funds	14,000.00	15,000.00
Deposits on Leases	106,500.00	112,750.00
Total Securities	<u>\$250,281,437.50</u>	<u>\$239,992,175.00</u>
<u>Corporate Stock (Other Deposits):</u>		
Deposit on Leases	5,000.00	- -
Bequest Funds	39.00	39.00
TOTAL SECURITIES	<u>\$250,286,476.50</u>	<u>\$239,992,214.00</u>
TOTAL TREASURER'S ACCOUNTABILITY FOR CASH, SECURITIES AND OTHER DEPOSITS	<u>\$335,133,088.26</u>	<u>\$332,831,808.19</u>

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES AND ENCUMBRANCES

FISCAL YEAR ENDED JUNE 30th

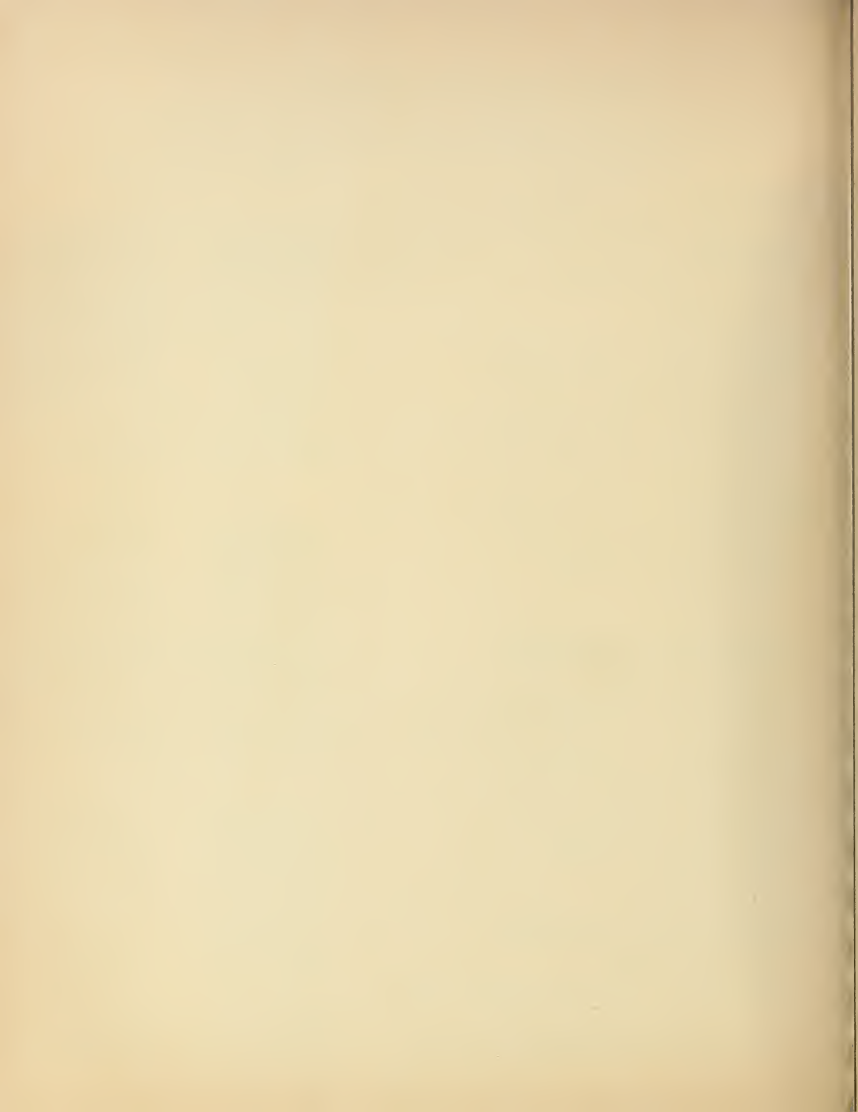
	1954	1953	1952	1951	1950
<u>REVENUES DERIVED THROUGH THE OPERATION OF THE TREASURER'S OFFICE</u>					
Interest Earned on the Deposit of Public Funds	\$615,018.93	\$564,398.07	\$561,932.81	\$522,315.22	\$448,161.15
Commission on Inheritance Tax Collections	31,211.21	31,733.98	39,202.02	28,832.49	25,023.38
Duplicate "Inheritance Tax Receipt" Fees	86.00	111.00	89.50	85.00	54.00
Conscience Money	130.00	237.11	594.00	45.00	117.00
Total Revenue	\$646,446.14	\$596,480.16	\$601,758.33	\$551,277.71	\$473,355.53
<u>EXPENDITURES AND ENCUMBRANCES</u>					
Permanent Salaries	\$96,285.00	\$95,683.52	\$89,986.30	\$79,974.32	\$76,590.86
Leaves and Replacements	467.11	755.54	776.54	775.71	499.01
Allowance for Overtime	2,259.87	2,129.07	1,962.29	1,478.72	2,054.84
Contractual Services	11,730.90	15,252.00	14,700.60	2,108.90	9,922.88
Fiscal Agent - New York	1,667.21	1,682.12	1,985.15	11,700.00	2,010.35
Materials and Supplies	-	465.91	1,324.91	1,744.16	973.65
Equipment	-	-	-	618.17	-
Total Disbursements	\$112,389.19	\$114,280.00	\$110,735.19	\$100,398.29	\$92,051.59
REVENUES IN EXCESS OF EXPENDITURES AND ENCUMBRANCES	\$534,056.95	\$482,200.16	\$491,023.14	\$450,879.42	\$381,303.94

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

	<u>Fiscal Year Ended June 30th</u>	
	<u>1954</u>	<u>1953</u>
<u>TOTAL FUNDS</u>		
Cash Balance - Beginning of Year	<u>\$ 92,839,594.19</u>	<u>\$ 99,895,826.17</u>
Cash Receipts	228,599,843.31	220,682,991.10
Journal Transfers (Contra)	226,817,198.48	229,816,559.44
Total Receipts	<u>455,417,041.79</u>	<u>450,499,550.54</u>
Total	<u>\$548,256,635.98</u>	<u>\$550,395,376.71</u>
<u>DISBURSEMENTS</u>		
Cash Disbursements	236,592,825.74	227,739,223.08
Journal Transfers (Contra)	226,817,198.48	229,816,559.44
Total Disbursements	<u>463,410,024.22</u>	<u>457,555,782.52</u>
CASH BALANCE - END OF YEAR (Exhibits A and C)	<u><u>\$ 84,846,611.76</u></u>	<u><u>\$ 92,839,594.19</u></u>

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

	<u>Fiscal Year Ended June 30th</u>	
	<u>1954</u>	<u>1953</u>
<u>CURRENT FUNDS:</u>		
Cash Balance - Beginning of Year	\$ 44,846,415.80	\$ 46,653,604.33
Cash Receipts	177,409,352.11	169,001,354.95
Journal Transfers - Receipts	205,365,210.07	195,647,361.73
Total Receipts	<u>427,620,977.98</u>	<u>411,302,321.01</u>
Cash Disbursements	165,574,406.55	157,426,794.93
Journal Transfers - Disbursements	216,419,252.63	209,029,110.28
Total Disbursements	<u>381,993,659.18</u>	<u>366,455,905.21</u>
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 45,627,318.80</u>	<u>\$ 44,846,415.80</u>
<u>CAPITAL FUNDS:</u>		
Cash Balance - Beginning of Year	41,218,960.03	45,256,868.23
Cash Receipts	15,216,005.10	18,482,294.69
Journal Transfers - Receipts	4,766,206.06	18,756,414.07
Total Receipts	<u>61,201,171.19</u>	<u>82,495,576.89</u>
Cash Disbursements	20,318,991.26	21,419,483.28
Journal Transfers - Disbursements	8,629,909.47	19,857,133.58
Total Disbursements	<u>28,948,900.73</u>	<u>41,276,616.86</u>
CASH BALANCE - END OF YEAR (EXHIBIT "D"-1)	<u>\$ 32,252,270.46</u>	<u>\$ 41,218,960.03</u>
<u>SPECIAL AND TRUST FUNDS:</u>		
Cash Balance - Beginning of Year	6,774,218.36	7,985,353.71
Cash Receipts	35,974,486.10	33,199,341.46
Journal Transfers - Receipts	16,685,782.35	15,412,783.64
Total Receipts	<u>59,434,486.81</u>	<u>56,597,478.81</u>
Cash Disbursements	50,699,427.93	48,892,944.87
Journal Transfers - Disbursements	1,768,036.38	930,315.58
Total Disbursements	<u>52,467,464.31</u>	<u>49,823,260.45</u>
CASH BALANCE - END OF YEAR (EXHIBIT "D"-2)	<u>\$ 6,967,022.50</u>	<u>\$ 6,774,218.36</u>
TOTAL CASH ON HAND (EXHIBITS "A" AND "C")	<u>\$ 84,846,611.76</u>	<u>\$ 92,839,594.19</u>



Airport Department

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY



REPORT ON EXAMINATION OF ACCOUNTS
For the Fiscal Year Ended June 30, 1954

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

November 26, 1954

Mr. Harry D. Ross
Controller
City and County of San Francisco

AIRPORT DEPARTMENT

San Francisco International Airport - San Mateo County

Examination of Accounts

For the Year Ended June 30, 1954

Dear Sir:

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the financial statements listed below of the San Francisco International Airport, San Mateo County. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

- Exhibit A - Balance Sheet, June 30, 1954
- Exhibit B - Statement of Surplus for the year ended June 30, 1954
- Exhibit C - Statement of Income and Expense for the years ended
June 30, 1954 and June 30, 1953
- Exhibit D - Comparative report of Aircraft Movements and Traffic,
including Domestic and International Activities, for
the years ended June 30, 1954 and June 30, 1953.

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of the San Francisco International Airport at June 30, 1954, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,



Nathan B. Cooper
Supervisor, Utility Audits

Approved.



HARRY D. ROSS
CONTROLLER

BALANCE SHEET

Fixed Capital in Service (net) - \$30,362,029.22

The table here presented is a condensed summary of the changes during the year in the accounts for fixed capital in service and for accrued depreciation applicable thereto.

	<u>In Service</u>	<u>Accrued Depreciation</u>	<u>Net Book Value</u>
Balance, June 30, 1953	\$42,459,712.56	\$6,410,298.91	\$36,049,413.65
Additions	<u>10,557.12</u>	<u>718,388.20 (1)</u>	<u>- 707,831.08</u>
Total	\$42,470,269.68	\$7,128,687.11	\$35,341,582.57
Retirements	- 287.80	- 247.03	- 40.77
Property Valuation Adjustments, June 30, 1953	<u>-5,860,934.47</u>	<u>- 881,421.89</u>	<u>-4,979,512.58</u>
Balance, June 30, 1954	<u><u>\$36,609,047.41</u></u>	<u><u>\$6,247,018.19</u></u>	<u><u>\$30,362,029.22</u></u>

(1) Provision for the year charged to operating expenses.

Additions - \$10,557.12

Additions to fixed capital in service were financed through the special aviation and operating funds; they consisted solely of equipment.

The Airport Department did not set up the 1953-1954 additions and betterments financed by the 1945 and 1949 Airport bond funds and the Federal airport project fund. It is anticipated that these additions and betterments will be classed as fixed capital in service sometime prior to December 31, 1954.

Retirements - \$287.80

The only retirements during the year were some small items of equipment.

Property Valuation Adjustments (net) - \$4,979,512.58

These adjustments reflect the net effects of the Report on Examination of Property Valuation, June 30, 1953, as prepared by Mr. Robert M. Gane, Certified Public Accountant, under the provisions of Section 128 of the Charter of the City and County of San Francisco.

	<u>In Service</u>	<u>Accrued Depreciation</u>	<u>Net Book Value</u>
To reverse capitalization of improvements made by:			
United Air Lines	\$5,798,963.99	\$858,530.83	\$4,940,433.16
Pan American Airways	51,217.00	13,203.86	38,013.14
Southwest Airways	9,714.78	9,714.75	.03
To eliminate capitalization of interest in land costs	1,038.70		1,038.70
Adjustment of accumulated depreciation levees, seawalls and breakwaters		- 27.55	27.55
Total	<u>\$5,860,934.47</u>	<u>\$881,421.89</u>	<u>\$4,979,512.58</u>

Fixed Capital under Construction - \$11,718,491.73

The projects classified as fixed capital under construction are summarized as follows:

Balance, July 1, 1953		\$ 5,373,683.40
Additions:		
1945 Airport bond fund	\$ 696,585.63	
1949 Airport bond fund	1,147,823.75	
Federal airport project	<u>4,500,398.95</u>	<u>6,344,808.33</u>
Balance, June 30, 1954		<u>\$11,718,491.73</u>

All of the transactions in this account were financed by the 1945 and 1949 Airport bond funds and the Federal airport project except that charges for interest during construction, which are in relation to the 1945 and 1949 Airport bond funds, are allocations of the interest budgeted in the Airport Operating fund.

The significant construction features in progress were the

- Terminal building
- Concourses for the terminal building
- Utility extensions in the terminal building area
- Air mail and air cargo building
- Service building
- Trestles for approach lighting system
- Reconstruction of apron at hangars 1, 2, 3 and 4.

The construction features completed during 1953-1954 were not transferred to fixed capital in service. It is anticipated that this will be done during the first half of 1954-1955.

Cash on Deposit with Treasurer - \$4,262,671.36

Cash on deposit with the Treasurer was confirmed by reference to the report on examination of accounts of the Treasurer's Office for the fiscal year ended June 30, 1954, by the Controller's Division of General Audits. The composition of the cash balance was:

Operating fund	\$ 759,161.06
Federal airport project fund	1,246,804.08
Special aviation fund	17,120.62
1945 Airport bond fund	915,780.34
1949 Airport bond fund	1,322,511.51
1945 Airport bond interest fund	
1-1/4% Series C	943.75
1-1/2% Series C	75.00
1949 Airport bond interest fund	
1-3/4% Series B	87.50
1-1/2% Series D	187.50
Total	<u><u>\$4,262,671.36</u></u>

Cash Revolving Fund - \$2,500.00

On March 24, 1954, we reported the verification of the principal of the fund as at March 10, 1954.

Accounts Receivable, Federal Grants - \$119,733.10

The Mayor and Public Utilities Commission have accepted offers by the Federal Government acting through the Administrator of Civil Aeronautics, to grant funds to the City and County of San Francisco for development of the San Francisco International Airport in the amount of \$1,932,478.00 of which \$1,812,744.90 had been received at June 30, 1954.

Accounts Receivable, Revenues Accrued and Other Receivables (net) - \$398,468.55

Requests for confirmation were mailed to various debtors with respect to balances included in the above sum; replies received were satisfactory. We did not request confirmation of \$245,615.75 included as accounts receivable because the liability for the payment thereof was disputed by the debtors. All invoices that comprise this sum have been referred to the City Attorney.

San Mateo County \$ 1,802.90

Portion of unrefunded aircraft
fuel taxes paid to San Mateo
County by State of California

Trans World Airlines 107,930.52

U.S. District Court Judgment, Civil
#30326, July 2, 1954:

Take-off charges - difference
between receivables calculated
on rates effective Jan. 1, 1951,
vs. prior rates, for the period
Jan. 1, 1951, through Feb. 28, 1954 \$ 86,342.64

Professional fire protective service 1951-54 9,600.00

Total Judgment \$95,942.64

Take-off charges - difference between
receivables calculated on rates effective
Jan. 1, 1951, vs. prior rates, for the
period since the court judgment - March 1
through June 30, 1954

\$11,987.88

United Air Lines

\$ 15,912.13

Rental of ticket counter space

6,312.13

Professional fire protection service

9,600.00

Western Air Lines

110,370.20

Take-off charges - difference between
rates effective Jan. 1, 1951, vs.
prior rates

96,121.65

Public address system charges and
underpayments for flight operations
Sept. 1, 1946 - April 30, 1949

4,648.55

Professional fire protective service

9,600.00

Subject to litigation - San Francisco
Superior Court Action No. 444510.

Pan American Airways, Inc.

9,600.00

Professional fire protective service

Total

\$245,615.75

Changes in the reserve for doubtful accounts during the year were as follows:

Balance, June 30, 1953

\$ 22,380.87

Provision for doubtful accounts

4,800.00

Total

\$ 27,180.87

Less accounts charged off as uncollectible

2.00

Balance. June 30, 1954

\$ 27,178.87

Interfund Accounts - \$9,465.43

The amounts due from other municipal departments were confirmed to us by certified public accountants engaged in the examination of the records of the Controller's office.

Materials and Supplies - \$8,193.95

Physical inventory of materials and supplies was taken by Airport employees as at May 31, 1954. We tested the quantities, the mathematical accuracy and the pricing of the inventory.

Commitments - \$818,747.46

Commitments represent contracts, purchase orders, work orders and other evidence of encumbrance for which related goods and services have not been received at June 30, 1954. The contra liability is shown under accounts payable and interfund accounts - commitments.

Other Deferred Items - \$20,468.07

Other deferred items represents primarily prepaid insurance which was verified by reference to insurance contracts and computation of unexpired premiums at June 30, 1954.

Bonded Debt - \$15,384,000.00

Bonded debt was verified against Controller's records. An account of all Airport bond issues is summarized below:

Issue	Authorized	Authorized and Sold	Redeemed		Total Bonded Debt
			Prior Years	1953-54	
1933	\$ 260,000	\$ 260,000	\$ 260,000	\$	\$
1938	2,850,000	2,850,000	2,850,000		
1945	20,000,000	20,000,000	11,451,000	1,208,000	7,341,000
1949	10,000,000	10,000,000	1,261,000	696,000	8,043,000
Total	<u>\$33,110,000</u>	<u>\$33,110,000</u>	<u>\$15,822,000</u>	<u>\$1,904,000</u>	<u>\$15,384,000</u>

The outstanding bonds mature serially as follows:

Fiscal Year	Issue		Total
	1945	1949	
1954-55	\$1,875,000	\$ 254,000	\$ 2,129,000
1955-56	1,875,000	254,000	2,129,000
1956-57	2,125,000	254,000	2,379,000
1957-58	174,000	1,534,000	1,708,000
1958-59	174,000	1,534,000	1,708,000
1959-60	174,000	1,534,000	1,708,000
1960-61	174,000	634,000	808,000
1961-62	174,000	409,000	583,000
1962-63	173,000	409,000	582,000
1963-64	173,000	409,000	582,000
1964-65	173,000	409,000	582,000
1965-66	77,000	409,000	486,000
Total	<u>\$7,341,000</u>	<u>\$8,043,000</u>	<u>\$15,384,000</u>

Bond Interest - \$42,799.80

Matured coupons not presented for payment were verified by reference to Controller's records. Accrued interest was verified by computation.

Accounts Payable - \$1,999,758.57

Accounts payable have been verified for prior encumbrances in accordance with the provisions of Charter Section 86.

Interfund Accounts - \$1,032,961.91

The amounts due to other municipal departments were confirmed to us by certified public accountants engaged in the examination of the records of the Controller's office.

Deferred Credits - \$273,228.21

Deferred credits represent primarily disputed accounts in amount of \$245,615.75, which is discussed under Accounts Receivable, Revenues Accrued and Other Receivables.

The balance of the deferred credits consist mainly of rentals and services paid or billed in advance, unbilled interdepartmental work orders (estimated expense booked in 1953-54), requests for direct payment by the Controller and cash collections in connection with telegraph, coin lock and petroleum agency trusts from the last settlement date in June 1954 to June 30, 1954.

Surplus - \$28,988,020.38

The summary of the changes in this account for the fiscal year 1953-1954 shown in Exhibit B, is in such detail as to require no further comments.

Contingent Liability

A review of the Controller's claim register and supplemental data indicated the following claims filed against the Airport as unsettled at the date of this report.

<u>Date of Accident</u>	<u>Claimant</u>	<u>Amount Claimed</u>	<u>Date Filed with Controller</u>	<u>Type of Claim</u>
6-11-52	Pan American Airways (1)	\$ 528.64	7-21-52	Property Damage
12-19-52	Vernic Erickson (2)	25,000.00	2-11-53	Personal Injury
6- 1-53	Robert A. Lenihan (2)	10,000.00	7- 1-53	Personal Injury
1-17-54	Mygrant Glass Co. (2)	3,316.55	2- 9-54	Property Damage
10- 8-53	American Airlines (3)	197.62	12- 7-53	Property Damage
5-20-54	P. Dardani & P. Manis (4)	375.14	6-28-54	Property Damage

- (1) Pending, in hands of insurance carrier.
- (2) Have filed suit. Case still open.
- (3) Insurance carrier paid \$197.62 in settlement.
- (4) Denied per City Attorney's records, no claim developed per insurance carrier.

Insurance carrier was notified of the above cited claims.

In addition to the above mentioned claims, the insurance carrier had on hand a claim for \$629.77 from California Central Airlines, covering property damage which occurred September 9, 1953. No claim relative to this incident was filed in the Controller's office.

Inquiry at the City Attorney's office did not disclose any record of unsettled claims against the Airport other than as indicated above.

Following is disposition of claims which were included as unsettled in our report of the year ended June 30, 1953.

<u>Date of Accident</u>	<u>Claimant</u>	<u>Amount Claimed</u>	<u>Disposition</u>
1-11-51	John S. Broome	\$ 305.38	Per Airport's insurance carrier - "Denied"
8-15-52	Dorothy T. Nielsen	3.35	- "No claim developed"
12- 1-52	Earl Marson	973.61	Settled for \$400. - \$200. paid by insurance carrier and \$200. by Airport - Public Utilities Commission Resolution No. 14013
10-6 to 12-28-52	Southwest Airways	138.29	Per Airport's insurance carrier - "Closed - No Payment"
5-29-53	Don Lochner	15.00	- "No Claim developed"

OPERATIONS

A condensed statement of net income for the year ended June 30, 1954, is set forth below:

Operating revenues:		
Air carrier flight operations		\$ 422,577.78
Rentals		212,851.71
Bulk petroleum deliveries		50,772.05
Services, sales, commissions, permits		478,177.06
Total		<u>\$1,164,378.60</u>
Operating expenses:		
Salaries and wages		\$ 410,327.38
Other operating costs		174,479.55
Maintenance and repairs		35,775.68
Fixed charges, including depreciation		800,925.39
Total		<u>\$1,421,508.00</u>
Operating loss		\$ 257,129.40
Bond interest	\$ 99,108.12	
Other income and deductions therefrom	<u>125,548.20</u>	<u>224,656.32</u>
Net loss		<u><u>\$ 481,785.72</u></u>

The increase in operating revenues stems primarily from the increase in aviation activities. As a result of the increased traffic through the Airport, non-aviation activities and services were generated and/or stimulated.

As indicated below, the decrease in operating expenses represents the excess of decreases in maintenance and repairs and fixed charges over increases in salaries and wages and other costs of operation.

<u>Operating Expenses</u>	<u>June 30, 1954</u>	<u>June 30, 1953</u>	<u>Increase or (Decrease)</u>
Salaries and wages	\$ 410,327.38	\$ 365,609.13	\$ 44,718.25
Other costs of operation	174,479.55	144,706.68	29,772.87
Other costs of maintenance and repair	35,775.68	48,558.37	(12,782.69)
Fixed Charges	800,925.39	887,103.96	(86,178.57)
Total	<u>\$1,421,508.00</u>	<u>\$1,445,978.14</u>	<u>(\$24,470.14)</u>

Increases and decreases in operating expenses are explained herewith in general:

Salaries and Wages

Increase is occasioned by the statutory provisions affecting salaries and wages, and pension and retirement allowances related thereto.

Other Costs of Operation

Increase is due primarily to

- (a) expanded services resulting from increase in aviation activities
- (b) expenses in connection with the new terminal
- (c) cost of property valuation June 30, 1953
- (d) statutory provisions affecting salaries of fire fighting personnel

Other Costs of Maintenance and Repair

The decrease in this category is mainly attributable to lower costs for automotive equipment maintenance and removal of silt from drainage canal which costs were unusually high in 1952-1953.

Fixed Charges

Decrease is due principally to reduction in annual depreciation charges resulting from the Airport property valuation as of June 30, 1953.

Miscellaneous Deductions From Income

Items comprising the sum of \$185,139.94 are shown below:

	Applicable to		
	<u>1953-1954</u>	<u>Prior Years</u>	<u>Total</u>
Deductions:			
Provision for possible uncollectibility of disputed accounts receivable:			
San Mateo County	\$	\$ 1,802.90	\$ 1,802.90
Trans World Airlines	41,286.30	66,644.22	107,930.52
United Air Lines	2,400.00	13,512.13	15,912.13
Western Air Lines	38,192.13	72,178.07	110,370.20
Pan American Airways	2,400.00	7,200.00	9,600.00
Total	\$84,278.43	\$161,337.32	\$245,615.75
Miscellaneous	171.25		171.25
Total deductions	\$84,449.68	\$161,337.32	\$245,787.00
Additions:			
Miscellaneous		\$ 1,433.78	\$ 1,433.78
Reimbursement of expenditure for Municipal Railway		9,146.08	9,146.08
Revenue previously unrecorded:			
San Mateo County		1,802.90	1,802.90
Trans World Airlines		48,264.30	48,264.30
Total additions		\$ 60,647.06	\$ 60,647.06
Net deductions	\$84,449.68	\$100,690.26	\$185,139.94

EXHIBIT A
AIRPORT DEPARTMENT

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

BALANCE SHEET AT JUNE 30, 1954

A S S E T S

Fixed Capital:		
In service	\$36,609,047.41	
Less reserve for depreciation	6,247,018.19	
Net book value	<u>\$30,362,029.22</u>	
Under construction	<u>11,718,491.73</u>	\$42,080,520.95
Cash:		
On deposit with City and County Treasurer	\$ 4,262,671.36	
Revolving Fund	<u>2,500.00</u>	4,265,171.36
Accounts Receivable:		
Federal grants	\$ 119,733.10	
Revenues accrued and other receivables (net)	<u>398,468.55</u>	518,201.65
Interfund Accounts:		
Due from general city and county	\$ 9,208.60	
Due from other public service enterprises	<u>256.83</u>	9,465.43
Deferred Charges:		
Materials and supplies	\$ 8,193.95	
Commitments (contra)	818,747.46	
Other deferred items	<u>20,468.07</u>	847,409.48
Total Assets		<u>\$47,720,768.87</u>

L I A B I L I T I E S A N D S U R P L U S

Bonded Debt:		
Maturing within year ending June 30, 1955	\$ 2,129,000.00	
Maturing Sept. 1, 1955 through April 1, 1966	<u>13,255,000.00</u>	\$15,384,000.00
Bonded Interest:		
Matured coupons not presented for payment	\$ 1,293.75	
Accrued, not due	<u>41,506.05</u>	42,799.80
Accounts Payable:		
Outstanding warrants	\$ 1,022,999.31	
General creditors	258,564.52	
Commitments (contra)	<u>718,194.74</u>	1,999,758.57
Interfund Accounts:		
Due to general city and county	\$ 909,409.71	
Due to other public service enterprises	22,999.48	
Commitments (contra)	<u>100,552.72</u>	1,032,961.91
Deferred Credits		273,228.21
Total Liabilities		<u>\$18,732,748.49</u>
Surplus - Exhibit B		<u>28,988,020.38</u>
Total Liabilities and Surplus		<u>\$47,720,768.87</u>

EXHIBIT B
AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY
SURPLUS
YEAR ENDED JUNE 30, 1954

Surplus, June 30, 1953, annual report of Controller	\$32,964,383.66
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Add:

Contributions:

Ad valorem tax for operating services	\$1,465,458.93	
State of California, Special aviation fund	<u>12,456.09</u>	1,477,915.02

Deposits on Specifications - forfeits	20.00
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Prior year adjustments:

United Air Lines' Contribution	\$ 7,000.00	
Reserve for depreciation per property valuation as of June 30, 1953	<u>881,421.89</u>	<u>888,421.89</u>

Total	\$35,330,740.57
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Deduct:

Net Loss, fiscal year 1953-54	\$ 481,785.72	
Excess of adjusted book value of Fixed Capital In Service over property valuation as of June 30, 1953	<u>5,860,934.47</u>	<u>6,342,720.19</u>

Surplus, June 30, 1954	<u><u>\$28,088,020.38</u></u>
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EXHIBIT C - Page 1

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1954 and JUNE 30, 1953

OPERATING REVENUES:	June 30, 1954	June 30, 1953
Air Carrier Flight Operations:		
Scheduled	\$ 398,799.54	\$316,802.51
Scheduled feeder lines	18,203.23	18,771.22
Non-scheduled	5,575.01	4,435.09
Total Air Carrier Flight Operations	<u>\$ 422,577.78</u>	<u>\$340,008.82</u>
Rentals:		
Ramp area	\$ 7,155.81	\$ 10,517.29
Aircraft outdoor storage	11,643.00	8,983.30
Airport property		
Unimproved	29,511.63	17,735.24
Paved	45,639.22	38,946.79
Expansion area	8,182.82	2,671.67
Hangars		
Entire hangars	59,499.96	58,278.15
Partial hangars	9,370.10	3,145.07
Passenger terminal building-office space	25,349.12	24,579.11
Other buildings and structures	16,500.05	16,500.04
Total Rentals	<u>\$ 212,851.71</u>	<u>\$181,356.96</u>
Bulk Petroleum Deliveries:		
Professional fire service	\$ 20,400.00	\$ 21,200.00
Rental of tank farm area	4,728.63	4,115.13
Wharfage charges	24,653.42	24,052.33
Pipe line licenses	990.00	990.00
Total Bulk Petroleum Deliveries	<u>\$ 50,772.05</u>	<u>\$ 50,657.46</u>
Services, Sales, Commissions and Permits:		
Public address system	\$ 11,631.82	\$ 11,563.28
Restaurant, cafe and newsstand	93,038.52	85,301.42
Taxi-cab and limousine permits	64,814.73	65,146.58
Parking lot	129,909.55	98,971.59
U-Drive	62,026.77	49,245.59
Telephone commissions	9,599.26	9,024.03
Telegraph commissions	19,528.14	21,740.50
Sale of petroleum products	58,150.01	53,947.45
Shoe shine stand	1,267.53	1,136.10
Vending and weighing machines	458.85	453.04
Insurance vending machines	13,793.66	9,732.49
Travel agency, air service and sales	921.14	963.70
Baggage locker commissions	4,164.60	3,228.83
Rest Rooms	7,899.40	8,013.93
Automobile service station	972.78	-0-
Total Services, Sales, Commissions and Permits	<u>\$ 478,177.06</u>	<u>\$418,468.53</u>
TOTAL OPERATING REVENUES	<u><u>\$1,164,378.60</u></u>	<u><u>\$990,491.77</u></u>

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1954 and JUNE 30, 1953

OPERATING EXPENSES:	<u>June 30, 1954</u>	<u>June 30, 1953</u>
Salaries and Wages:		
General & Administrative	\$ 41,642.86	\$ 38,595.91
Maintenance & Operations	368,684.52	327,013.22
Total Salaries and Wages	<u>\$ 410,327.38</u>	<u>\$ 365,609.13</u>
Other Costs of Operation:		
Travel expenses and local fares	\$ 13,479.80	\$ 11,606.28
Freight, express and drayage	44.90	34.64
Use of employees' cars - mileage only	13.09	9.52
Storage and care of vehicles	-0-	.75
Maintenance and care of office equipment	569.51	433.23
Maintenance and care of other equipment	194.10	78.04
Gas and electricity	18,001.30	16,106.48
Telephone and telegraph	\$ 9,205.68	
Less: Extension service charged to tenants	<u>3,773.10</u>	<u>5,432.58</u>
Postage	664.40	498.84
Printing, advertising, etc.	6,101.89	483.70
Newspapers and periodicals	400.94	647.00
Janitorial and window washing services:		
Contractual	1,135.00	1,195.20
Refuse disposal	1,047.02	1,027.77
Professional and special services	29,349.19	14,359.97
Miscellaneous and contractual services	1,011.33	834.40
Operating material and supplies	14,280.95	14,555.02
P.U.C. - General Office Expense	12,398.17	9,470.24
Fire-fighting expense	70,355.38	66,962.95
Total Other Costs of Operation	<u>\$ 174,479.55</u>	<u>\$ 143,672.68</u>
Other Costs of Maintenance and Repair:		
Landing area	\$ 1,545.79	\$ 753.33
Runways	8,316.07	6,021.30
Field lighting equipment	1,120.07	1,483.37
Radio equipment	733.72	964.80
Hangars	1,253.52	297.65
Administration building	902.33	2,526.27
Other buildings	2,319.11	1,605.51
Automotive equipment	6,198.59	12,027.39
Other equipment facilities, furniture and fixtures	4,041.67	4,401.22
Parking areas, roads, walks, fences, etc.	8,191.29	16,899.68
Power distribution system	853.62	1,577.85
Total Other Costs Maintenance & Repair	<u>\$ 35,775.68</u>	<u>\$ 48,558.37</u>

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1954 and JUNE 30, 1953

OPERATING EXPENSES - Cont'd.

	June 30, 1954	June 30, 1953
Fixed Charges:		
Accident compensation - employees	\$ 2,663.20	\$ 2,558.51
Automobile insurance	1,921.46	1,715.15
Other insurance	16,456.14	15,345.49
Pension and retirement allowance	47,732.73	43,762.47
Taxes paid	\$ 9,808.98	
Less charged to tenants	<u>2,080.32</u>	
Depreciation	718,388.20	811,347.59
Doubtful accounts	4,800.00	4,800.00
Injuries and damages	200.00	45.00
Membership dues	1,035.00	1,035.00
	<hr/>	<hr/>
Total Fixed Charges	\$ 800,925.39	\$ 888,138.96
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	\$1,421,508.00	\$1,445,978.14
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OPERATING LOSS	\$ 257,129.40	\$ 455,486.37
	<hr/>	<hr/>
OTHER INCOME:		
Resale of electric energy	\$ 230,245.62	\$ 182,898.53
Less cost thereof	174,639.63	156,291.08
Total	\$ 55,605.99	\$ 26,607.45
	<hr/>	<hr/>
Resale of water	\$ 14,450.57	\$ -0-
Less cost thereof	13,322.52	-0-
Total	\$ 1,128.05	\$ -0-
	<hr/>	<hr/>
Miscellaneous	\$ 2,857.70	\$ 2,832.53
Total Other Income	\$ 59,591.74	\$ 29,440.08
Sub-total	\$ 197,537.65	\$ 426,046.29
	<hr/>	<hr/>
OTHER EXPENSE:		
1945 and 1949 Airport Bond Interest Expense	\$ 99,108.12	\$ 116,542.44
Miscellaneous additions and deductions		
from income - net deduction	185,139.94	-20,253.67
Total Other Expense	\$ 284,248.06	\$ 96,288.77
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NET LOSS	\$ 481,785.72	\$ 522,335.06
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EXHIBIT D

AIRPORT DEPARTMENT

SAN FRANCISCO INTERNATIONAL AIRPORT, SAN MATEO COUNTY

STATISTICS

YEARS ENDED JUNE 30, 1954 AND JUNE 30, 1953

Comparative report of aircraft movements and traffic, including domestic and international activities.

	June 30, 1954	June 30, 1953	Increase Decrease (-)	%
Aircraft arrivals and departures, including extra sections, as reported by the Civil Aeronautics Administration traffic control tower				
Carriers	121,927	113,360	8,567	7.6
Itinerant	29,898	25,820	4,078	15.8
Local	31,784	28,314	3,470	12.3
Totals	183,609	167,494	16,115	9.6

Number of passengers, as reported
by air carriers:

On and off	2,000,824	1,876,858	123,966	6.6
Through (no stopovers)	477,542	510,478	(-) 32,937	(-) 6.5
Totals in and out (1)	2,478,366	2,387,337	91,029	3.8

Air mail, express and freight,
in pounds on and off, as re-
ported by Post Office Dept.,
Railway Express Agency and
various air lines: (1)

Air mail	29,524,596	29,004,176	520,420	1.8
Express	6,239,896	6,154,617	85,279	1.4
Freight	40,454,573	38,675,414	1,779,159	4.6
Totals	76,219,065	73,834,207	2,384,858	3.2

Note:

- (1) Excludes activities of those non-scheduled air carriers which operate only seasonally or which use the San Francisco Airport only intermittently.

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